

JPRS 79357

3 November 1981

USSR Report

USA: ECONOMICS, POLITICS, IDEOLOGY

No. 7, July 1981

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service (NTIS), Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semimonthly by the NTIS, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

Soviet books and journal articles displaying a copyright notice are reproduced and sold by NTIS with permission of the copyright agency of the Soviet Union. Permission for further reproduction must be obtained from copyright owner.

3 November 1981

USSR REPORT

USA: ECONOMICS, POLITICS, IDEOLOGY

No. 7, July 1981

Translation of the Russian-language monthly journal SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA published in Moscow by the Institute of U.S. and Canadian Studies, USSR Academy of Sciences.

CONTENTS

Basic Precepts of U.S. Foreign Policy and Detente (G. A. Trofimenko).....	1
Factor of Japan in U.S. Foreign Policy (M. G. Nosov).....	15
Democrats in Search of New Roads (V. O. Pechatnov).....	28
Republican Administration and Crisis in El Salvador (P. G. Litavrin, I. I. Lyudogovskaya).....	42
United States Plans To Expand NATO's Zone (S. A. Ulin).....	46
Terrorism and the Mass Media (I. Ye. Malashenko).....	51
United States Government Air Transport Policy* (V. G. Afanas'yev).....	58
United States General Aviation* (A. V. Buzuyev, A. V. Matveyev).....	58
Sensible Americans for Detente (V. F. Polyakov, N. S. Seregin).....	59
American Dreams: Lost and Found* (Studs Terkel).....	66

* Not translated by JPRS.

Information Meteorological Service*	
(P. A. Nedotko, I. S. Onishchenko).....	66
Changes in Management Structures for Industry	
(L. I. Yevenko).....	67
Book Reviews	
American Ruling Elite,* by V. A. Linnik.....	80
Capitalist Class Privileges,* by V. A. Voyna.....	80
Failing Strength of U.S. Foreign Policy,* by A. B. Parkanskiy and T. N. Yudina.....	80
Ethnic Problems in Capitalist Countries, by A. M. Yusupovskiy.....	80
The "Kitchen Cabinet" of President R. Reagan	
(A. K. Andreyev).....	82
In Memory of Charles W. Yost*.....	89
Chronicle of Soviet-American Relations (March-May 1981)*.....	89

* Not translated by JPRS.

PUBLICATION DATA

English title : USA: ECONOMICS, POLITICS, IDEOLOGY
No 7, July 1981

Russian title : SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA

Author (s) :

Editor (s) : N. D. Turkatenko

Publishing House : Izdatel'stvo Nauka

Place of Publication : Moscow

Date of Publication : July 1981

Signed to press : 16 July 1981

Copies : 38,000

COPYRIGHT : Izdatel'stvo "Nauka", "SShA - ekonomika,
politika, ideologiya", 1981

BASIC PRECEPTS OF U.S. FOREIGN POLICY AND DETENTE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 3-14

[Article by G. A. Trofimenko; passages enclosed in slantlines printed in boldface]

[Text] A range of reasons accounts for the shift in U.S. foreign policy away from detente to toughness and aggressiveness and away from talks with the USSR to attempts at strong-arm confrontation with it. Very important among these is the tenacity of the dogmas and concepts of the U.S. ruling circles' traditional great-power, imperial way of thinking, even though these basic precepts have themselves undergone certain changes under the influence of the new situation in the world. Nevertheless, they have so far proved more stable than realistic trends in politics. It is this stability of conservative traditions and principles that is one of the chief factors why the U.S. ruling class is adapting in such a painful and contradictory way to the new world situation.

Among these basic precepts and principles of U.S. foreign policy it is possible to single out several characteristic components:

Reliance on military force;

Flirtation with messianic ideas;

Neocolonialism;

A high degree of ideologization of foreign policy;

Hegemonism;

A geopolitical approach to peace;

Technological fetishism;

Bipartisan foreign policy.

I

Immediately after World War II these basic precepts determined American foreign policy.

Washington proceeded from the principle of the need to maintain U.S. military superiority over any potential enemy or group of enemies; the doctrinal aim was to maintain military strength at a level somewhat higher than that of any other state in the world. A document of the Joint Chiefs of Staff, which was sent to the U.S. secretary of state on 29 March 1946 and set forth long-term strategic guidelines, emphasized: "In the final analysis, the most important single factor of world security . . . /absolute U.S. military security/."¹

A colossal arms race was launched to ensure that superiority, and Washington was prepared to really use the tremendous military strength that was being built up, as evidenced by the numerous plans to attack the USSR which have now come to light. As early as the end of 1945, after the nuclear bombing raids on Japan, the U.S. Joint Intelligence Committee named 20 Soviet cities as targets "suitable for nuclear bombing."² Over the next 5 years at least 10 plans were drawn up for nuclear war against the USSR with a view to creating a "world order" to the U.S. liking. These plans were code-named "Charioteer," "Gunpowder," "Double Star," "ABC 101," "Dualism," "Dropshot" and so forth.

The idea of the massive use of nuclear weapons did not then meet with any objections of a moral order in Washington. On the contrary, in the 1950's so-called massive nuclear retaliation was made the chief instrument of U.S. strategy. Such a nuclear strike was to be made on the enemy "in places and times chosen by the United States," to use J. F. Dulles' expression, even in the event of the infringement or apparent infringement by that enemy of third-rate U.S. interests. R. Tucker, one of the eminent American theoreticians of "just war," made it clear in his works that any wars in defense of American interests are, by definition so to speak, defensive and just.³

American policy acquired a messianic tinge as a result of the opinion, deeply rooted in the ruling class, that the American model of society is the best possible and is ideal for any country or people and therefore must be imposed on them--for their own good. This was the traditional approach based on the old chauvinist idea of American exclusiveness and its "civilizing mission" in the world. But after World War II awareness of American strength was added to this. Having discovered that it was "the most powerful nation on earth," the United States made its first task, "through interim measures aimed at meeting the Russian (!) military threat, /to create a viable international order/ which will transform common interests into a common goal, to unite the forces of individual nations and /to apportion responsibility among them commensurate with their interests and strength/" (my emphasis--G. T.), the well-known American politologist H. Morgenthau wrote.⁴

The origins of the American policy of neocolonialism can be traced back to 19th-century American foreign policy doctrines, and as of the 20th century they are perfectly clear: The United States, which had come along too late for the distribution of colonies, proclaimed in 1900 the "open door" policy--the first neocolonial doctrine of imperialism, whose essence was that competition /in terms of strength of capital/ must be viewed as something of paramount importance in the rivalry among industrially developed powers for sales markets and sources of raw materials in dependent and colonial countries. Whereas at the beginning of the 20th century this was chiefly just a principle, just a slogan which few of the old colonial powers heeded, after World War II the principle of neocolonialism proved for some

time an effective tool of American penetration of the old colonial powers' spheres of supremacy. The United States succeeded, to a certain extent, in filling with its economic, military and political strength the "power vacuum" which, according to J. F. Dulles, was formed after the departure of the old colonial powers. Here the U.S. penetration of liberated countries was assisted both by the American ruling circles' use of slogans from the American anticolonial revolution and by the original hopes of the countries that were liberating themselves that cooperation with the United States would provide the necessary capital for development.

The ideological component has colored U.S. foreign policy in different ways at different times. After World War II the United States became the leader of world anticommunism. Accordingly, any doctrine was presented in the form of a universal formula to "save the world from communism." The most important act of this "salvation" was to be the "promotion of fundamental changes in the Soviet system," as stated in the basic document on U.S. long-term foreign policy strategy drawn up by the National Security Council in 1950--Memorandum NSC-68. That goal had to be achieved, it emphasized, by "cold war strategy."⁵ Thus, the cold war unleashed by the United States against the world socialist system was characterized by the extreme degree of ideologization of American foreign policy and by its transformation into a servant of the anticommunist ideology of the ruling circles of the United States and its allies.

The U.S. hegemonist aspirations were expressed in the concept of shaping "peace American-style"--"Pax Americana." What this meant was the organization of a world order which would accord with their aims and requirements and rule out the possibility of any serious decisions or changes in the world arena without U.S. sanction. The same memorandum stated frankly that, even if it were not for the Soviet Union, the United States would have to face a big problem in that "the lack of order in relations between states is becoming less and less tolerable."⁶ The document went on to describe the United States as the only state capable of imposing such order.

In geopolitical terms the United States viewed the system of international relations as bipolar confrontation between the United States and the USSR. Here the concept of "Soviet communism" meant the monolithic bloc of the USSR, the PRC and the socialist countries of East Europe. Washington regarded West Europe as the United States' "fortified bridgehead" in the West, and Japan as a bastion in the East. Washington assigned a subsidiary role to military-political blocs, while gambling chiefly on the military strong-arm potential of the United States. "Our position as the center of power in the Free World imposes on the United States the heavy responsibility of assuming leadership," NSC-68 stressed. "We must organize and mobilize the Free World's energy and resources...creating a situation to which the Kremlin will be forced to adapt."⁷

American technical supremacy was seen as a panacea against all difficulties and primarily as a guarantee of U.S. inaccessibility in the arms sphere. This was how the U.S. obsession with technology manifested itself. Physicist V. Bush, one of the leaders of the American nuclear program, maintained that the United States, by relying on its scientific and technical potential, would be the first to acquire the capacity for a large-scale nuclear war and would itself be able to impose on a potential enemy "a preventive war by striking while it has the advantage."⁸

In the atmosphere of anticomunism and domination by the military-industrial complex, U.S. foreign policy acquired a distinct bipartisan nature. On 11 June 1948, by an overwhelming bipartisan majority (only four votes against), the Senate approved a resolution proposed by Republican Senator A. Vandenberg totally supporting the foreign policy course of the Democratic Truman Administration. That resolution inaugurated bipartisan foreign policy after World War II and was for the American Government the legal basis for organizing a global chain of military-political blocs directed against the USSR and its allies.

II

In the late 1960's and early 1970's all the aforementioned basic precepts of U.S. foreign policy were called into question; in practice not a single one of them escaped revision.

Above all, the development of the Soviet Union's economic and military potential deprived the United States of illusions of impunity and revealed the suicidal nature of nuclear war for imperialism. This was promoted to a considerable extent by the lamentable outcome, for the ruling class, of the American aggression in Indochina.

Vietnam's victory showed "how far imperialism's potential has been restricted nowadays," L. I. Brezhnev pointed out.⁹

Realistically evaluating the new correlation of forces in the world, Professor H. Kissinger (who in 1969 held the important post of adviser to the President for national security affairs) advanced the formula that military strength does not automatically become influence.¹⁰

Through the efforts of the CPSU and the entire Soviet population, U.S. superiority in the sphere of defense building was liquidated, and Soviet-American strategic parity became a reality. The same Kissinger later defined the creation of a situation of "equilibrium in the destructive might" of the sides as "a revolution in the strategic balance."¹¹ The impossibility of ensuring the so-called U.S. escalating domination based on superiority of forces (in other words, confidence that it could "raise the stakes" in a conflict with impunity) led the American leadership to the opinion that it was necessary to show restraint even in local conflicts in order to keep them from developing into a large-scale war, which had become undesirable for the United States under the conditions of the new balance of power. The fact that the United States and its allies refrained from military actions against the Arab OPEC countries when they imposed the oil embargo in 1973 is a quite graphic illustration of the new strategic situation in the world.

American messianism suffered too, for it became clear that the Soviet model of the development of society has great attraction for other countries and is an effective alternative to the American model. This craving for the Soviet model and for a socialist orientation is graphically confirmed by the fact that an ever-increasing number of developing countries are choosing the non-capitalist path of development. Even such an inveterate anticomunist as Z. Brzezinski had to admit that "for many developing countries, which are undergoing very rapid changes, Marxism and communism promise, so it seems to them, a suitable frame of reference."¹²

As for the policy of neocolonialism, it gave the United States a certain advantage at a certain stage: It succeeded in implementing a strategy of intercepting anti-colonial revolutions and replacing the former colonialists in the economic sphere in a large number of liberated countries. However, in the late 1960's and early 1970's there ensued the stage of antineocolonial movements aimed primarily against the United States itself as the main bearer of neocolonial policy. It is precisely this which explains the outbreak of anti-Americanism over a broad area of the developing countries bordering on two oceans--the Pacific and Indian oceans. London's FINANCIAL TIMES recently waxed indignant that the developing countries "are confusing anti-Americanism with nonalignment."¹³ But that is the essence of the antineocolonial revolution: Foreign policy independence for these countries means, above all, reluctance to follow in the U.S. wake.

In the late 1960's and early 1970's the ideologization of foreign policy was also deadlocked, which was reflected in the emergence of the concept of "the end of ideology." The preliminary condition for successful U.S. foreign policy, H. Morgenthau asserted in the late 1960's, should be its "decontamination" from ideology, for ideologized foreign policy leads to fanaticism. "Much may be gained," he wrote, "and nothing is to be lost by reorienting U.S. foreign policy toward traditional nonideological activity." The main thing, he wrote, is whether "a policy accords with the interests of U.S. security."¹⁴ The idea of the deideologization of foreign policy was a natural reaction by realistic U.S. ideologists to its overideologization during the cold war, which consisted primarily in imbuing it to the maximum with the dogmas of anticommunism and in these dogmas themselves becoming the motive force of U.S. foreign policy.

Hegemonism was also in a state of crisis. The United States was obliged to recognize the existence of political pluralism in the world. This meant unwillingly recognizing that Washington could not be a dictator even in the non-socialist part of the world and that the interests of many other states of the same type as the United States with respect to their social structures differed from U.S. interests. The multipolarity of the real world, the emergence of new centers of power within the framework of the capitalist world, stratification among the developing countries expressed in the emergence of almost developed countries--all this required Washington's pursuit of a more flexible foreign policy. Today we must learn to behave like an ordinary country, H. Kissinger said in San Francisco when he was secretary of state, "aware that our national goals have their limits. That is a new experience for Americans."¹⁵

Although conceptually the U.S. geopolitical approach to the world remained the same, the world's actual geopolitical picture altered. Above all U.S. vulnerability to a retaliatory strike became absolutely obvious, which, as it were, blunted the aggressive spearhead of U.S. strategic weapons. As a result there was an increase in the protection afforded the core of Soviet strategy--the "heartland," to use a favorite term of geopoliticians--against the threat from the bloc of states opposing the "heartland" which, in the same terminology, is called the "maritime alliance." "Since the mid-1960's the Soviet Union has created a strategic nuclear factor of counterdeterrence which in accordance with current trends promises to preserve the indestructibility of the heartland stronghold," C. Gray, a new U.S. geopolitician stated.¹⁶

By virtue of centrifugal trends in the capitalist camp, the power configuration within the U.S. "maritime alliance" was also transformed. A number of the military-political blocs knocked together by the United States in the 1940's and 1950's on the basis of the total strategy of anticomunism, in particular SEATO and CENTO, have collapsed. The United States had to agree in 1975 to changes in the "Rio Pact" for Latin America. The amendments submitted by the Latin American countries undermined U.S. hegemonist positions in this bloc. Washington's difficulties increased even in commanding the central geopolitical bloc--NATO (matters reached the point where R. Nixon and his advisers in the 1970's began to conceive for the purely military bloc certain ecological and other peaceful functions as a means of ensuring some minimum degree of cohesion among its members). At the same time the gradual growth of elements of anti-Sovietism in the Chinese leadership's policy generated in U.S. ruling circles the hope that it would be possible to use China's "geopolitical factor" with a view to exerting anti-Soviet pressure.

As for faith in U.S. technical supremacy, many U.S. illusions on this score had already been dispelled by the launching of the first Soviet satellite in 1957.

"The time has passed when the United States could complacently be confident of the undisputed scientific and technical supremacy which supported our country in the past and is the key to future potential," J. Collins, who enjoys great authority among U.S. hawks, noted recently in his study of the U.S.-Soviet military balance.¹⁷

In place of the two-party basis of foreign policy there developed differences and fluctuations and disorder in the parties, aggravated by the war in Vietnam. "Vietnam accelerated what was perhaps the most serious and significant change of all: the abolition of the tradition of two-party support for the President's foreign policy," R. Nixon notes in his "Memoirs."¹⁸ Not only broad strata of the population but also substantial business sections were alienated and moved away from aggressive foreign policy; there was a change in the degree of influence of the U.S. military-industrial complex and it became the target of criticism.

It was under these conditions that the U.S. ruling class undertook an attempt to bring the basic elements of U.S. foreign policy into line with the new realities. For the United States that meant a turn toward detente.

III

How exactly were the fundamental components of U.S. foreign policy transformed in order to produce, in their totality, a movement toward detente on the U.S. side?

The U.S. leadership virtually admitted the impossibility of ensuring strategic supremacy for the United States. American official agreement to parity with the USSR--that was the essence of the Soviet-U.S. strategic arms limitation agreements (SALT I and SALT II) signed in 1972 and 1979. With a view to reducing the possibility of military confrontation, in 1973 the USSR and United States signed the agreement on the prevention of nuclear war and began to collaborate on a number of questions of arms limitation. This was a radical departure from the strategic premises of the 1950's and 1960's when talks with a "potential enemy" were described either as a tactic "to win public support for a military building program" or as a means of "formally enshrining...the USSR's retreat."¹⁹ Washington

declared a more cautious approach to the use of force in local conflicts: Under the "Nixon Doctrine" the United States said that it would use its own conventional armed forces only in exceptionally critical situations. The treatment of the West's military force was entirely changed--in the direction of a greater consideration of the allies' military factor. The United States put forward the concept of "total force," in accordance with which Western Europe and Japan, although they acquired great autonomy, were to serve as a supplement to U.S. strength.

The pitch of messianism was reduced and for the first time readiness for peaceful coexistence with the socialist states was expressed officially. This was expressed in a number of documents of international law concluded in the first half of the 1970's, like the basic principles of mutual relations between the USSR and United States and the Final Act of the All-European Conference on Security and Cooperation in Europe. One of the main theorists of the course toward detente on the U.S. side, H. Kissinger, who in 1957 asserted that, from the Soviet leadership's viewpoint, peaceful coexistence is "the most effective offensive tactic" and "the best means for undermining the West's present structure,"²⁰ stressed in 1975, in explaining to U.S. ambassadors in Europe the essence of objective processes in the world as he understood it: "We are /doomed/ to coexist with the Soviet Union as an emerging superpower.... Detente is not simply a softening of tone. /Detente is a problem which every U.S. president, whoever he may be, will encounter/"²¹ (my emphasis).

In connection with the new world situation and the growth of the movement against neocolonialism, expressed in the slogan of a new world economic order advanced by the developing countries, Washington concluded that it was essential to change its tactics in its relations with these countries. In the spring of 1974, at the sixth special session of the UN General Assembly devoted to questions of development, the U.S. secretary of state set forth the concept of the "interdependence" of the developed and developing countries as "participants in a single international economic system," proposing under certain conditions to channel U.S. capital and technology into the solution of the developing countries' acute problems.

The U.S. readiness for formally equal dialogue with the world's "have-nots," like certain hints regarding the possibility of some concessions to the developing countries, were an undoubted advance in the U.S. position. Behind them lay an understanding of the fact that it is better to give way in some respect at a certain stage, from the positions of continuing Western or, to be more specific, U.S. economic strength, retaining, at the cost of small concessions, the majority of developing countries in the system of the world capitalist economy, than to jeopardize all its future relations with them by refusing outright to agree to any compromise. Soon after this the formal "North-South" dialogue was initiated at various forums.

With the adoption of the course of international detente, Washington departed from anticommunism in its most primitive form. The anti-Soviet component of its policy was soft-pedaled. The trend toward deideologization and pragmatization appeared in foreign policy, as did the readiness to reach agreement with the "potential enemy"--the USSR. At the same time, however, another innovation also appeared: the differentiated approach to the socialist countries and the desire to use the development of contacts with them to influence their internal affairs.

In the 1970's there was a certain renunciation of the U.S. part of the role of world policeman and a departure from the idea that it could be the controller of world order. Washington recognized that world problems could not be resolved without the Soviet Union's participation. The United States embarked on the path of a "lower profile" foreign policy and displayed readiness to establish more equal relations with its own allies (West Europe and Japan) and to complete the solution of postwar problems (which led to U.S. participation in the Conference on Security and Cooperation in Europe).

The U.S. geopolitical approach to the world also changed. The concept of the "balance of power" came to the fore and became Washington's main operational foreign policy concept. In accordance with this concept the United States was viewed as one of five "power centers" of the world system, and potential opponents and allies were, to some extent, put on the same level. The United States sought flexible balancing in this "pentagonal" world and the use of the "China factor" and China's anti-Soviet stance, but had not yet brought the normalization of relations with China to the point of forming an anti-Soviet bloc.

In the 1970's attempts were again made to put into operation and make more active use of the U.S. scientific and technical might and other nonmilitary factors of power; and to create, on the basis of these factors, a mechanism for attaching West Europe and the developing countries to the United States with the aid of new forms of cooperation and new types of long-term dependence.

Efforts were made to recreate a two-party consensus on the basis of the policy of detente.

Taken together, all these modifications of traditional elements of U.S. foreign policy strategy comprised--on the U.S. side--the basis of detente in relations with the USSR.

IV

Many of these modifications continue to operate now, in the early 1980's. However, since the latter half of the 1970's a countertrend has been intensifying--the movement toward conservatism, toward the restoration of many traditional, customary foreign policy approaches. Behind this movement stand the powerful forces of the military-industrial complex and other segments of U.S. society linked with great-power ideology and cold war practice which have not renounced the concepts of a worldwide U.S. "mission" or the illusion of U.S. superiority. These forces have engaged in sabotaging detente from its very earliest days. As L. I. Brezhnev noted in the preface to the anthology "Peace and Detente in Soviet-U.S. Relations," published in the United States in 1979, these forces "have leverage for influencing public opinion and are actively using them, presenting their own interests as national interests. They are actively creating barriers in the way of accord between our countries on the most important questions of arms race limitation and preparations for disarmament."²²

A considerable segment of the U.S. ruling class has so far proved incapable of coming to terms with the state of U.S.-Soviet strategic parity. It is precisely this which is the root of the difficulties with SALT II in the United States. The

following example provides an idea of the scale of the lobbying by the military-industrial complex against the Soviet-U.S. strategic arms limitation agreements: The petition of the "coalition for peace through strength," demanding the rejection of the SALT II treaty as something which is contrary to the U.S. interests, was signed by 1,677 retired U.S. generals and admirals, who made it clear here that they were expressing the opinion of many of their colleagues in active service and thus unable to express their views on political issues. "We urge the U.S. Senate," the petition ends, "to think about the grave consequences of the ratification of a treaty which will bind our country to the continuation of the disarmament policy which, however promising, would jeopardize the security of the United States and its allies."²³

There was a revival of calculations aimed at restoring the U.S. position of strength, as Reagan Administration officials are now saying openly. "Expenditure on the armed forces, whether sensible or not, has become a banner for displaying national determination," NEW YORK TIMES commentator R. Holloran notes. "The military budget is not simply a component of foreign policy, it is its main symbol."²⁴

The readiness was again resurrected to make direct use of U.S. armed forces in local situations. For this President Carter created a special Rapid Deployment Force which is assigned the role of a "military fire brigade," to wit, of participating in "limited operations" outside the United States.

In relations with West Europe and Japan, conflicts and contradictions are continuing for the United States, but Washington has reached the conclusion that differences with its allies are not so very important on the plane of the global balance of forces, since the present regimes in West Europe and Japan, for all the increase in their military arsenals and even given the growth of their dissatisfaction with the United States, will ultimately play the role of an anti-Soviet potential, in the military sphere also, in the world social confrontation.

There is a rebirth of the traditional American messianism, beginning with the accession to power in the United States in 1977 of the Carter Administration, which made the "human rights" problem a central element of foreign policy. This was not done to actually set about resolving human rights, primarily in the United States where, as Carter himself stated when he was a presidential candidate, "too many people have to suffer at the hands of the political and economic elite,"²⁵ but to try to enhance official Washington's prestige and authority in the eyes of the public at a time when the White House was virtually unable to find any other subject for political speculation. An experienced political observer, J. Reston, observed a few days after the start of the Carter Administration's activity that "a Wilsonian and missionary theme is to be heard in the Carter Administration's statements."²⁶ Despite the utter futility of Carter's attempt to portray himself as some new evangelist, his administration, during his 4 years in power, continued to play up this theme, frequently striving thus to soft-pedal its helplessness on questions of domestic and foreign policy.

The new U.S. administration is approaching the outside world from similar messianic positions. Even in his inaugural speech President Reagan portrayed the United States in a classic messianic spirit as "the model of liberty and the lamp of hope"--the state designed to accomplish "great deeds" by its supreme will. He was

echoed by Secretary of State A. Haig. When his candidacy was being approved in the Senate he read a sermon on the "power of our values and political institutions," which allegedly makes the United States, "like it or not, a nation of mentors of the values of freedom and justice which have inspired mankind for millenia."²⁷ These statements attest to a new eruption of U.S. great-power messianism, and, what is more, in a blatantly sanctimonious form.

American demagogic in the early 1970's regarding readiness for equal dialogue with the developing countries had, by the end of the decade, been replaced by the toughening of U.S. official positions and the virtual cessation of the "North-South" dialogue, which on the U.S. side came down to a search for a way of replacing some forms of the developing countries' dependence with other forms, with the aid of the instruments of technological neocolonialism. Counter to all the advertising of its economic aid for development purposes, the United States ranks among the lowest in this respect among the developed capitalist countries: In 1980 official U.S. aid to the developing countries was 0.19 percent of the U.S. GNP compared with an average of 0.35 percent for the capitalist countries. The Reagan Administration has cut back even this sum. Instead of talks on a new economic order, the United States is beginning to intimidate the Asian, African and Latin American countries with the threat of military intervention, urgently creating special troops for this purpose.

"The imperialists," L. I. Brezhnev noted in his report at the 26th CPSU Congress, "do not like the consolidation of the liberated countries' independence. They are trying by thousands of ways and means to attach these countries to them in order to dispose more freely of their natural resources and use their territories for their own strategic designs."²⁸

American foreign policy has been reideologized once again. Under President Carter the ideological struggle was promoted to the rank of state policy. The United States began to conduct ideological campaigns in West European countries too, directing its attacks against the communist parties and other progressive organizations. The U.S. ideologists advanced the provocative concept of "two-level" relations with the socialist community countries. This concept, elaborated in the "brain trust" of Radio Free Europe, provides for the continuation of "civilized" dialogue between the U.S. Government and the governments of the corresponding socialist countries while at the same time conducting broad anti-governmental propaganda directed at their population.²⁹ This idea was accepted in its entirety by the Reagan Administration, and in the most overtly "cold war" version.

In particular, cold war rhetoric has been resurrected; in contrast to the period of the 1950's and 1960's it is not the ideology of anticomunism in general but of anti-Sovietism which has been advanced to the fore. In order somehow to explain the new offensive against countries and movements seeking liberation from the fetters of U.S. neocolonialism, the Reagan Administration has found nothing better than to brand the liberation movements and entire countries (!) with the label of "terrorist organizations."³⁰ Top U.S. government leaders have joined in the propaganda campaign against the Soviet Union even more vigorously than before.

The postulates of U.S. hegemonism have also been fully revived. The ideology of so-called "trilateralism," elaborated and polished up by Z. Brzezinski, might at

first glance seem to be the concept of equal cooperation by the Western world's three centers of power--West Europe, the United States and Japan. At best this was a concept for collective Western neocolonialism. In practice the concept of "trilateralism" in its U.S. version came down to the idea of U.S. control of the processes of change in the world and of playing on the contradictions between West Europe and Japan in order to strengthen U.S. hegemonism.

The concept of the United States as world policeman has surfaced again. In practice this new U.S. emergence into the world arena as a global police officer was enshrined in the "Carter Doctrine," which proclaimed the entire world, with the exception of Antarctica, to be the sphere of U.S. "vital interests."

With Carter's departure from the White House the U.S. leadership's global ambitions not only did not decrease but increased considerably.

Recalling Kissinger's appeal for America to learn how to behave like an ordinary country, S. Hoffmann noted that Reagan's election victory was "a vindication of the belief in exclusiveness. The idea of a world in which the United States would be simply one protagonist like all the others...remains unbearable."³¹

It is no accident that the leading figures of the Reagan Administration frequently manipulate "classic" concepts from the imperial baggage of U.S. diplomacy like the Monroe Doctrine and the behests of Theodore Roosevelt to justify the U.S. hegemonist course in various parts of the world.

Attempts to make maximum use of the "China factor" predominate in the geopolitical approach: It is no longer a case of a policy of "equidistance," as in the first half of the 1970's, or even of "parallel" U.S. and Chinese interests, but of their "agreement" on the platform of anti-Sovietism. "I would like to see a China which could be a legitimate ally of the free world," R. Reagan says of the prospects for U.S.-Chinese relations.³²

Renouncing balancing in a "multipolar world," the United States has steered a course toward creating new blocs of the "main participants" in world collaboration on the basis of "geopolitical realities" with a view to encircling the USSR.

As for U.S. technicism, a return is taking place here to the intensification of emphasis on U.S. leadership in technology, primarily military technology. In accordance with the doctrines of the apologists of "technological warfare" (S. Possony, J. Pournelle and others), the U.S. leadership is seeking to exceed the Soviet Union's military potential and to alter the prevailing correlation of forces by building up arms and the scientific and technical potential, particularly in the military field. On this plane appeals are being stepped up in the United States for the center of gravity of military-technical rivalry to be switched to space, focusing efforts on the prospect of waging combat operations in space. President Reagan is reported to support these proposals.³³

Some results (although it is still hard to assess them accurately as yet) have been produced by the persistent attempts to restore national consensus on the basis of chauvinism and jingoism.

This consists in the conviction that it is essential to overcome the U.S. "inferiority complex" and to restore "national will" and resolutely defend U.S. foreign policy interests. The Americans' indignation at the holding of U.S. diplomats in Iran for 444 days as "hostages" played a considerable part in the growth of such feelings not only in the ruling class but also in quite broad segments of the population. This circumstance seriously influenced the success of the U.S. right-wingers' chauvinistic propaganda and the shift to the right in the country as a whole, and the particularly acute shift in the leading establishment. Well-known U.S. public opinion researchers D. Yankelovich and L. Kaagan interpret Reagan's victory in the 1980 election as the U.S. voters' mandate for the pursuit of a tough policy right up to the use of force to "raise U.S. prestige abroad."³⁴

Thus, examining the evolution of U.S. foreign policy in the world since World War II, it may be noted that the U.S. ruling class now, after a certain revision of the fundamental concepts of U.S. messianism and power hegemonism in the world arena in the late 1960's and early 1970's under the influence of objective circumstances, is reverting to their more traditional great-power interpretation. Internal and international reasons lie behind this. To a considerable degree this is connected with the crisis of U.S. foreign policy and its series of failures and defeats in the international arena, which the opponents of peaceful coexistence have contrived to present to broad circles of Americans as "the consequences of detente." Of course, the present upsurge of militarism, great-power chauvinism and nationalist egotism is also a transient phenomenon in the historical context.

The international conditions under which the United States has to operate now, the vigorous foreign policy activity of the socialist community countries, the increased influence of the developing countries and the new economic strength of the United States' capitalist partners and allies are putting quite strict limits on U.S. potential. Nonetheless, the turn to be observed in U.S. foreign policy shows how tenacious and alive in that country are the dogmas and stereotypes of great-power messianism and power politics and how great is their influence on the thinking of the ruling class.

FOOTNOTES

1. "Foreign Relations of the United States" (hereafter, called "FRUS"), 1946, vol 1, General, United Nations, Wash., 1972, p 1166.
2. M. Sherry, "Preparing for the Next War. American Plans for Postwar Defense, 1941-1945," New Haven and London, 1977, p 213.
3. R. Tucker, "The Just War. A Study in Contemporary American Doctrine," Baltimore, 1960, pp 157-158.
4. H. Morgenthau, "The Purpose of American Politics," N.Y., 1960, pp 178-179.
5. "FRUS," 1950, vol 1, National Security Affairs, Foreign Economic Policy, Wash., 1977, pp 241-242.
6. Ibid., p 241.

7. Ibid., p 290.
8. V. Bush, "Modern Arms and Free Men," London, 1950, p 139.
9. L. I. Brezhnev, "Leninskij kursom. Rechi i stat'i" [Following Lenin's Course. Speeches and Articles], vol 4, Moscow, 1974, p 107.
10. H. Kissinger, "American Foreign Policy," expanded ed, N.Y., 1974, p 60.
11. THE WASHINGTON QUARTERLY, "A Review of Strategic and International Affairs," Autumn 1979, p 6.
12. THE WASHINGTON POST, 10 October 1977.
13. FINANCIAL TIMES, 18 February 1981.
14. H. Morgenthau, "A New Foreign Policy for the United States," N.Y., 1969, p 243.
15. THE DEPARTMENT OF STATE BULLETIN, 23 February 1976, p 202.
16. C. Gray, "The Geopolitics of the Nuclear Era: Heartland, Rimlands and the Technological Revolution," N.Y., 1977, pp 31-32.
17. J. Collins, "U.S.-Soviet Military Balance. Concepts and Capabilities 1960-1980," N.Y., 1980, p 111.
18. "RN. The Memoirs of Richard Nixon," N.Y., 1978, p 771.
19. "FRUS," 1950, vol 1, p 274.
20. H. Kissinger, "Nuclear Weapons and Foreign Policy," N.Y., 1957, pp 142-143.
21. INTERNATIONAL HERALD TRIBUNE, 12 April 1976.
22. L. I. Brezhnev, Op. cit., vol 7, Moscow, 1979, p 444.
23. Quoted in: "The SALT II Treaty," Hearings Before the Committee on Foreign Relations, U.S. Senate, pt 4, Wash., 1979, p 63.
24. INTERNATIONAL HERALD TRIBUNE, 12 January 1981.
25. "The Presidential Campaign 1976, vol 1, pt 1, Jimmy Carter," Wash., 1978, p 349.
26. THE NEW YORK TIMES, 31 January 1977.
27. "Nomination of Alexander M. Haig, Jr.," Hearings Before the Committee on Foreign Relations, U.S. Senate, Wash., 1981, pt 1, p 23.
28. "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, 1981, p 14.

29. "Basket Three: Implementation of the Helsinki Accords," Hearings Before the Commission on Security and Cooperation in Europe, vol II, Wash., 1977, pp 274-287.
30. See the report on A. Haig's press conference on 28 January 1981 in THE NEW YORK TIMES, 29 January 1981.
31. S. Hoffmann, "Requiem," FOREIGN POLICY, No 42, Spring 1981, p 26.
32. TIME, 5 January 1981, p 24.
33. THE BOSTON GLOBE, 3 March 1981.
34. D. Yankelovich and L. Kaagan, "Assertive America," "America and the World, 1980," FOREIGN AFFAIRS, Winter 1981, p 704.

8588

CSO: 1803/11

FACTOR OF JAPAN IN U.S. FOREIGN POLICY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 15-26

[Article by M. G. Nosov]

[Text] The United States' relations with Japan have always occupied an important place in the foreign policy activity of postwar American administrations. In spite of the serious and constant conflicts between Washington and Tokyo, this area of American foreign policy has remained fairly stable and reliable. Although policy toward Japan has undergone a complex evolution in the last 35 years, from the dictatorial policy of the occupation period to the level of a relationship which was described as a "vitally important alliance" in the communique on U.S. President Reagan's talks with Japanese Prime Minister Z. Suzuki in May 1981,¹ the ultimate goal of this policy has never changed and has always been the retention of Japan in the orbit of American interests. The U.S. desire to maintain stable and strong relations with Japan was dictated by questions of military strategy, based on the American-Japanese "Security Treaty" and by the constantly growing trade and economic ties connecting the two major economic structures in the capitalist world.

In the end of the 1970's Japan began to play a more important role in the global foreign policy plans of American ruling circles, and this was primarily connected with the general augmentation of Japan's role in the system of international political relations. The U.S. defeat in Vietnam strengthened Japan's role even more as one of the main pillars of American policy in the Far East and the entire Asian and Pacific region, and the safeguarding of this pillar became one of Washington's top foreign policy priorities.

After a short bout of the "Vietnam syndrome," the United States resumed its efforts to strengthen its position in Asia and the Pacific, which Washington regards as one of the most promising regions for the consolidation of antisocialist forces. The United States expects Tokyo to help safeguard American positions in Asia because, although the Japanese monopolies are the United States' strongest economic rivals in this region, Japanese ruling circles have an interest in preserving the American military presence in the Pacific.

The more active U.S. diplomacy toward China, which began in spring 1978 and was accompanied by Japanese-Chinese convergence, helped to strengthen the tendency toward the coordination of U.S. and Japanese foreign policy. Within the framework of its plans to create an unofficial anti-Soviet alliance with the PRC and Japan, the United States attach special significance to relations with Tokyo in the hope of using these relations to globalize its anti-Soviet policy.

Stronger relations with Japan would also serve to consolidate the policy of the leading imperialist countries, as elaborated by the Trilateral Commission, the concepts of which had a significant effect on the formation of President Carter's political opinions. Washington viewed relations within the U.S.-Western Europe-Japan system not only from the standpoint of the need to coordinate the economic efforts of the leading capitalist countries, but also with an eye to the desirability of efforts to undermine detente.

The Carter Administration undertook the reconstruction of relations with Japan with a view to the guaranteed solidity of the U.S.-Japanese alliance. Washington began to display serious interest in reaching compromises in conflict situations, particularly since past relations had visibly demonstrated the incompatibility of the traditional dictatorial and authoritarian methods with the goal of maintaining stable and constant contact between the United States and Japan.

It is probably too early to predict the specific forms the Reagan Administration's policy toward Japan will take, but it is quite reasonable to assume that the "Japanese emphasis" of the new cabinet's line will not undergo any serious changes. The Republicans' decision to retain Democrat M. Mansfield as U.S. ambassador to Japan is a definite indication that the continuity of policy toward Tokyo will be preserved.

Although some of the changes in U.S.-Japanese relations in recent years have been almost imperceptible and some are quite difficult to pinpoint precisely (as this has not been a matter of cardinal changes in strategy, but more of policy nuances), it is nonetheless already apparent that these relations are definitely being reconstructed, and this particularly applies to the military relations between the two countries. Ever since the war this has been the subject of constant disagreements between Washington and Tokyo. The White House has tried, although without any noticeable success, to force Japan to pay more for the American "nuclear umbrella" and the American military presence in the country. Asserting that the ratio of U.S. military expenditures to Japanese expenditures is approximately 10:1 (1979),² the United States has constantly accused Japan of "economizing on defense" so as to invest more capital in industrial development and launch a successful offensive in the American market. The United States has demanded that Japan increase its military budget and build up its military potential.

Until recently, Japan practiced relative restraint in the area of military expenditures, which have not exceeded 0.9 percent of the GNP since the beginning of the 1960's, although in absolute terms they have increased from 2.9 billion dollars in fiscal year 1960 to 10.6 billion in 1980.³ This restraint was dictated by the recognition of the economic advantages of this policy and by the sharp negative reaction of the Japanese public to militarization.

In the mid-1970's, Japanese ruling circles began to gradually revise their approach in the military sphere. The "Nixon Doctrine," Nixon's policy toward Japan, the U.S. defeat in Indochina and Washington's renunciation of its obligations to the Saigon Government led to widespread debates in Tokyo with regard to the reliability of American guarantees of Japan's safety and the need to strengthen Japan's own military potential. Other factors at work here were the Japanese mass media's exaggeration of the American myth about the "Soviet military threat" and the

altered position of the Beijing leadership, which had reacted quite negatively to any buildup of Japanese military potential prior to 1971 but was now openly supporting Japan's militarization and the reinforcement of the American-Japanese military alliance.

Realizing that Japanese ruling circles' feelings about militarization had begun to change, the United States made a serious effort to force Tokyo to increase its military spending, involve Japan more extensively in ensuring the combat readiness of U.S. armed forces in the Far East and stimulate Japan's efforts to improve the qualitative parameters of its military potential. Washington canceled its demands for the significant quantitative growth of the Japanese army. In view of the fact that American military obligations to Japan would be maintained, these demands were considered to be inexpedient because they could lead to the loss of U.S. control over the development of the Japanese army and to a stronger antimilitarist movement in the country. This view was set forth in a Stanford University study of U.S.-Japanese relations, which lay at the basis of the new U.S. policy toward Japan.⁴

Within the framework of this policy, the U.S. Government exerted more pressure on Tokyo, demanding an increase in Japanese direct military expenditures in strict coordination with American military-strategic plans, which Washington regards as a factor strengthening American influence in the Far East and as a means of reducing Japan's export impact on the American market by means of the broad-scale transfer of economic efforts to military production.

The pressure exerted on Japan was particularly pronounced when its budget for fiscal year 1981 was being drafted in June-July 1980. According to a Japanese Foreign Affairs Ministry spokesman, the U.S. demands for a buildup of military strength, which were linked directly with the drafting of the budget for the new fiscal year, were "absolutely unprecedented,"⁵ giving rise to serious friction in the relations between the two countries. Despite the fact that Japan had set a budget growth limit of 7.5 percent, Washington continued to insist on an increase of 9.7 percent in Japanese military expenditures. This was regarded, according to a statement by R. Allen, President Reagan's national security adviser, as "just the minimum."⁶ Tokyo eventually decided to increase its military budget by 7.5 percent,⁷ but Washington demanded a considerable increase in Japan's expenditures on the maintenance of American troops in Japan. At the same time, the United States insisted that Japan complete its current 5-year defense buildup program for 1980-1984 a year ahead of schedule.

When Japanese Minister of Foreign Affairs Masayoshi Ito went to Washington in March 1981, U.S. Secretary of Defense C. Weinberger again requested Japan to make a more vigorous effort in the sphere of defense, stressing that the United States is now carrying the additional burden of expenditures in such regions as the Persian Gulf and Indian Ocean zones.

Although Japanese ruling circles agreed in general with the Americans on the need for the intensive militarization of their country, they were somewhat disturbed by Washington's attempts to force the growth of Japanese military spending, and this was primarily connected with the existence of strong antiwar feelings in the country. Reagan's announced intention to combine increased military spending with lower administrative costs--that is, tax and budget cuts--was justifiably associated

in Japan with the worrisome prospect of increased demands on allies, including Tokyo, in the area of military budget growth.

By proposing the reconstruction of American-Japanese relations in the sphere of defense on the basis of an increased Japanese contribution to U.S. military efforts, Washington is counting on the growth of Japanese expenditures on the maintenance of U.S. troops and on the kind of development of Japanese military potential that would remain under U.S. control and would serve U.S. military concepts. In November 1978 an American-Japanese commission on military cooperation published a document in which the specific functions of U.S. armed forces and Japanese self-defense forces in "emergency situations" were defined for the first time in the entire history of the "Security Treaty's" existence, measures were outlined for the establishment of joint military planning and joint maneuvers and training exercises, and the limits of action in "crisis situations" were stipulated.

In accordance with the commission's recommendations, Japan agreed to a considerable increase in expenditures on the maintenance of U.S. troops and military facilities in Japan and on the purchase of American military equipment. In accordance with agreements signed in 1978, Japanese expenditures on the maintenance of U.S. military bases were increased by more than 200 million dollars and totaled around 750 million in 1979, or approximately 70 percent of the cost of maintaining U.S. troops in Japan. In August 1980 the Japan Defense Agency (JDA) announced that Japanese expenditures on the maintenance of U.S. military facilities would be 20 percent higher in fiscal year 1981 than in the preceding year.⁸

In accordance with a program which will be in effect until 1988, Japan allocated 4.5 billion dollars for the acquisition of 100 F-15 fighter planes and 45 P-3C antisubmarine patrol planes from the United States.⁹ Between 1975 and 1979 Japanese imports of military equipment from the United States increased almost 10-fold, from 56.8 million dollars to 537.1 million.¹⁰

Experts predict that equipping the Japanese air force with American F-15 and P-3C planes will standardize the weapons of both armies even more, provide for more effective interaction and ensure the "specialization" of Japanese self-defense troops in antisubmarine combat and island defense during the initial stages of any military conflict. According to a Brookings Institution prediction for the 1980's, "a reasonable portion of the annual increase in the Japanese military budget will be used to ensure the mutually supplementary character of Japanese and U.S. armed forces."¹¹

In March 1980, when Japanese Minister of Foreign Affairs S. Okita visited Washington, the specific details of participation by Japanese naval forces in the defense of sea lanes were discussed. Japan is expected to take on the responsibility of protecting sea lanes from Tokyo to the islands of Bonin, Guam, Okinawa and Taiwan. Japan will also block the La Perouse, Tsugaru and Korean straits in a "state of emergency."

The United States has displayed an interest in the development of military research in Japan. Appropriations for this kind of research are already increasing at an average rate of 20 percent a year.¹² The United States is also interested in turning Japan into an exporter of weapons. As a kind of "trial balloon," former U.S. Undersecretary of State G. Ball proposed at a meeting of the Trilateral

Commission in London in winter 1980 that two aircraft carriers be built in Japan and then be leased to the U.S. Navy. Commenting on this idea, former Japanese Minister of Foreign Affairs K. Miyazawa, who attended the London meeting, said that "it will be necessary to find ways of gaining authorization for the export of Japanese military commodities (if not weapons, then at least defensive equipment) to the United States and other allied countries which share our ideals."¹³

Washington is also making a serious effort to lay the basis for military cooperation by Japan, South Korea and the United States. The Pentagon plans to reassign some tactical functions in the West Pacific to Japanese and South Korean armed forces in order to make some of its own combat forces available for the reinforcement of its positions in other areas. This is particularly important in connection with the plans to establish a fifth U.S. fleet in the Indian Ocean, designated primarily for operations in the Near and Middle East.

In connection with these plans, JDA Director G. Yamashita announced in August 1979 that "Japan must make a more vigorous effort to strengthen national security within the framework of the Japanese-American and American-South Korean mutual defense agreements."¹⁴ The JDA confirmed that there is a plan for reciprocal visits by military delegations and the exchange of military information. Yamashita's visit to Seoul in summer 1979, the first such contact in the entire postwar period, his subsequent trip to the United States and U.S. Secretary of Defense Brown's visits to South Korea and Japan in October of the same year corroborate the plans for more active military cooperation by Tokyo, Seoul and Washington.

Although the growth of Japanese economic strength and the simultaneous increase in military spending quite clearly indicated a tendency toward change in U.S.-Japanese military and political relations by the end of the 1970's, the immediate reason for their rise to a qualitatively new level was the situation in the Persian Gulf zone. Whereas the issue prior to this was merely an increase in Japanese participation in U.S.-Japanese military cooperation, which was regional and was limited to the territory of Japan or to the Far East at the very maximum, as stipulated in the "Security Treaty," in 1979 and 1980 the question of Japan's increased involvement in American global strategy was raised.

Taking advantage of Tokyo's dependence on imported oil, the United States began to demand that it not only participate in the economic and political blockade of Iran, but also in measures aimed at strengthening American "containment forces" in the Persian Gulf zone. Immediately after the presidential election, one of Reagan's closest advisers, former Secretary of the Navy W. Middendorf, delivered a message to the members of the Japanese Diet from the ruling Liberal Democratic Party, demanding that Japan participate in the direct material and technical support of American actions in the Persian Gulf by providing trade services and civilian aircraft for the transfer of troops and, if necessary, by authorizing some participation by Japanese naval forces in operations within this zone and along the sea lanes leading to the Middle East. The message contained an appeal for the revision of the "Security Treaty" to envisage increased Japanese obligations.¹⁵

A report compiled in December 1980 by the Atlantic Council of the United States and the Japanese Research Institute of Peace and Security, "the Common Security Interests of Japan, the United States and NATO," contained a detailed discussion

of the possible globalization of Japan's military and political role, which, according to the authors of this report, should, along with the United States and the NATO countries, participate directly in the protection of American interests in the Middle East. The report stressed that "the United States and Japan must find new and effective ways of coordinating joint operations. Japan should increase the possibilities for the use of civilian vehicles, aviation and the merchant marine, to support the transfer of American military reinforcements across the Pacific."¹⁶

But this demand for the globalization of Japanese military activity is contrary to the premises of the Japanese Constitution, which was compiled after World War II with the direct participation of the United States. Now, however, the United States is making a serious effort to draw Tokyo into situations constituting serious precedents of constitutional violations.

In spring 1980 two Japanese destroyers and eight planes took part in the RIMPAC-80 combat maneuvers in the Central Pacific at the request of the United States. Despite the fact that the constitution prohibits Japanese troops from leaving their own country, Japan has already affirmed its willingness to take part in similar exercises in 1982. In connection with these maneuvers, in which the United States, Canada, Australia and New Zealand participated along with Japan, American Congressman P. Findley proposed the creation of a permanent fleet to patrol sea lanes in the Pacific and Indian Oceans, made up of naval forces from the countries participating in the exercises and, if possible, ships from the ASEAN countries.¹⁷

In accordance with plans for the coordination of U.S. and Japanese military efforts, Japanese naval forces have taken part in maneuvers involving American ships carrying nuclear weapons, and in the middle of 1980 Japanese patrol aircraft were equipped with air-to-air missiles for the first time, and Japanese naval ships were equipped with live torpedoes.

In February 1981 a Pentagon report to the Congress announced the United States' intentions to implement a plan for the placement of additional nuclear weapon systems in Asia, including the equipping of U.S. armed forces in Asia with medium-range missiles with nuclear warheads. Washington's attempts to involve Japan directly in American nuclear strategy completely contradict the Japanese principles of nuclear weapon renunciation, which state that the country will not produce or acquire these weapons or allow their placement within its territory. The real danger of Japan's involvement in U.S. nuclear strategy was demonstrated by an incident this April, when the American nuclear submarine "George Washington," carrying nuclear weapons on board, collided in the East China Sea with a Japanese freighter "Nissho Maru," sank it and then disappeared without even trying to save the Japanese sailors. The very presence of an American submarine near the coast of Japan (which apparently took place with Tokyo's knowledge because two destroyers of the Japanese self-defense forces were located in the same region) proved that Japan has actually given the Pentagon the right to use nuclear weapons in its territorial waters.

Japan's YOMIURI newspaper remarked that the collision in the East China Sea indicates that, despite the existence of the Japanese-American "Security Treaty," which should be based on mutual trust, "Japan is not in the foreground of U.S. nuclear strategy."¹⁸

Within the framework of the measures aimed at expanding Japanese support of U.S. policy in the Persian Gulf, Washington is trying to force Japan to increase economic aid to Egypt, Pakistan, Turkey, Oman, Somalia and a number of other countries on which the United States relies in its military preparations in the region. Although these expenditures are not considered to be direct military expenditures, the increase of which is still being loudly opposed by broad segments of the Japanese population and by many of Japan's neighbors, they will ultimately serve to reinforce U.S. military positions.

The attempts of American and Japanese ruling circles to strengthen the military aspects of cooperation between the two countries are closely related to more active relations within the U.S.-Japan-PRC triangle. Encouraging the development of anti-Soviet tendencies in Japanese-Chinese relations, Washington spoke in support of the Japanese-Chinese "treaty on peace and friendship" signed in August 1978. As Japan's MAINICHI newspaper stressed, when Z. Brzezinski visited Japan on his way home from Beijing in May 1978, he "frankly supported the Chinese idea of struggle against the USSR."¹⁹

By agreeing to the establishment of full diplomatic relations with China in January 1979, the United States actually added the missing link to the chain connecting the U.S.-Japanese "Security Treaty" with the Japanese-Chinese "treaty on peace and friendship." Although the United States and Japan both began to normalize relations with China in the interest of their ruling circles, which naturally do not always have the same interests, the most conclusive evidence of common imperialist goals for China was the desire of both Washington and Tokyo to exploit Beijing's unconcealed anti-Sovietism in order to reinforce their own positions in the global confrontation between the two systems.

Striving to make the fullest use of Japan for the realization of its own policy toward China, the United States tried to avoid a repetition of the negative experience of the "Nixon shocks." Intensive U.S.-Japanese consultations were held on all matters pertaining to contacts with China, all visits by American officials to Beijing were generally combined with trips to Tokyo, information on the state of contacts with the PRC was regularly exchanged, etc. Furthermore, Washington made every effort to convince Japan that it gave priority to U.S.-Japanese relations in its policy in Asia. When Assistant Secretary of State for East Asian and Pacific Affairs R. Holbrooke (in the Carter Administration) went to Tokyo in March 1980, he said that "Japanese-American ally relations are more important to the United States than American-Chinese relations."²⁰ This was dictated not only by the need to coordinate policy toward Beijing, but also by the desire to strengthen ally relations with Japan, which would give the United States an opportunity to strengthen its positions in the American-Chinese sphere.

At the same time, while the United States is exploiting, along with Beijing, the thesis of the "Soviet military threat," it is promoting the militarization of Japan and planning some coordination of U.S., Japanese and Chinese military efforts. In a fundamental study by the Brookings Institution, "Setting National Priorities: Agenda for the 1980's," American researcher C. Libertel examines the prospects of this alliance and frankly states that the military "specialization" of Japan, in antisubmarine warfare for instance, could be in the interests of American-Chinese-Japanese military cooperation.²¹

In the political sphere, despite the absence of an official U.S.-Japan-PRC alliance, some coordination of foreign policy behavior is already apparent. After taking the same stand on the issue of Kampuchea, both Washington and Tokyo refrained from trying to prevent the Chinese Army's armed attack on the SRV in February 1979. There is no doubt that the Chinese leadership would not have decided to take aggressive action in Indochina if it had not been certain that its new partners Japan and, in particular, the United States--had no objections to this. These countries also took the same stand on such issues as the support of Afghan counterrevolutionaries, the boycott of the Moscow Olympics, etc.

When we assess the prospects for U.S.-Japanese cooperation in the coordination of policy toward the PRC, however, we can also see quite serious American-Japanese conflicts in the approach to this problem. Above all, due to the specific features of its military geographic position, Japan has taken a more cautious approach than the United States to the possibility of supporting Beijing's openly anti-Soviet policy. Japan has displayed a clear interest in the preservation of American obligations to Taiwan because Tokyo has much more incentive than Washington to keep this island within the Western sphere of influence. This is due to Japan's extensive economic ties with Taiwan and to the island's importance in safeguarding the security of Japanese shipping.

The possibility of strengthening the Washington-Tokyo-Beijing alliance is also limited by the fairly wary U.S. attitude toward Japanese-Chinese rapprochement, which, according to many in the United States, could lead to a pan-Asian, anti-American alliance of these countries. According to the February 1979 issue of SEA POWER, a magazine published by the Pentagon, "there are still questions about the convenience of closer relations between China and Japan from the standpoint of American long-range strategy. In the near future Japanese-Chinese rapprochement could serve some purpose, but in view of long-range objectives, the United States should be extremely cautious in encouraging closer relations between Beijing and Tokyo."²²

In general, an analysis of American and Japanese approaches to cooperation with China indicates that neither Washington nor Tokyo is overly eager to establish official and precisely defined forms of cooperation with the PRC because this would seriously restrict the maneuverability of U.S. and Japanese policy and would give these countries fairly serious obligations. This cooperation is thought of more as a form of pressure on the Soviet Union, implemented from time to time depending on circumstances. The use of the "China card" to conduct policy toward the USSR under the conditions of joint action with Japan will, according to Washington strategists, considerably broaden U.S. foreign policy potential, and this, in turn, will heighten the significance of relations with Tokyo among U.S. foreign policy priorities.

In recent years the United States has also paid more attention to Japan in connection with its more active policy in Asia and the Pacific. Washington regards this as a promising region from the standpoint of economic interests and as one of the bridgeheads for the consolidation of anticommunist forces and the organization of anti-detente operations. The radical changes in the international political situation in Southeast Asia after the establishment of the SRV in July 1976 gave rise to a tendency to use Japan to strengthen the political stability of pro-Western states in this region, especially the ASEAN countries. The United States

and Japan plan to attain their objectives in this region by creating a so-called "Pacific community," which would extend the framework of the American-Japanese alliance by including Pacific non-socialist countries in this alliance. The United States hopes to use its military and political potential to give this alliance the necessary political orientation and to diminish the intensity of Japan's export offensive on the markets of this region, which could endanger the interests of American monopolies.

Under the present conditions of the changing balance of power in the imperialist camp, reflected primarily in the reduced gap between the economic and political strength of the United States and the strength of Japan and Western Europe, Washington regards Japan as one of the most important links in the system of U.S.-Western Europe-Japan relations as well. Whereas the United States can almost always expect Japanese support in the political sphere due to Japan's military dependence on the "Security Treaty," the Japanese position on economic issues connected with global inter-imperialist conflicts does not always coincide with the American position. For example, it took a long time and a great deal of effort for Washington to convince Japan to support U.S. policy toward Iran.

There are still conflicts in American-Japanese trade and economic relations even though Washington has displayed a desire in the last few years to avoid serious confrontations in the resolution of cardinal problems in its relations with Japan. In 1966 the United States began to experience a chronic deficit in its trade with Japan, which reached its peak in 1978, when it amounted to 11.6 billion dollars.²³ The United States' attempts to resolve this permanent crisis with the aid of protectionist measures or political pressure did not produce any perceptible positive results and only exacerbated the conflict.

In its approach to economic relations with Japan, the Carter Administration proceeded from the belief that conflicts had to be settled, or at least smoothed out, without undermining the basis of U.S.-Japanese military and political cooperation. A special report to Congress on these issues noted that "the economic problems existing between Japan and the United States are the object of serious concern in both countries. But we cannot allow them to undermine Japanese-U.S. relations in the sphere of security. The United States and Japan must make an effort to ensure that the process of resolving trade problems does not inflict irreparable harm on their relations."

Judging by the first steps of the new American administration, Washington will probably take a tougher line in questions of trade with Japan, and this could give rise to serious friction between the two countries. The intensity of these conflicts, however, could be diminished somewhat by the global reconstruction of U.S.-Japanese relations, dictated primarily by the augmentation of Japan's role in the world arena and by the increasing realization on both sides of the Pacific of the mutual vulnerability of foreign economic structures.

The complexity of U.S.-Japanese trade and economic conflicts is connected with the pronounced interdependence of their economic relations: The United States, as Japan's major trade partner, absorbs around one-fourth of all Japanese exports; in turn, Japan is second only to Canada among the United States' trade partners. In 1979 the volume of U.S. exports to Japan amounted to 17.6 billion dollars, and

imports from Japan amounted to 26.2 billion.²⁴ The deeply intermeshed economic structures of the two countries give rise to the complex interaction of any political decisions pertaining to economics in bilateral relations and in domestic political problems.

The previous American administration did not want to exacerbate U.S.-Japanese trade relations, apparently because of the tremendous importance of trade with Japan to the U.S. economy and Japan's place among American foreign policy priorities. The refusal to resort to direct government intervention in the trade between the two countries, which was characteristic of the Carter Administration's approach to trade with Japan, was apparently motivated by, among other factors, the desire to avoid the negative effects of this move on the Democrats' widely publicized ideology of "free enterprise and free trade."

The earlier overt use of tariff barriers against the Japanese trade offensive in American markets has also been complicated by the fact that, after the crisis of 1974 and 1975, the rising prices of raw materials and manpower in Japan considerably increased production costs and, consequently, the cost of finished goods. At present, now that the prices of Japanese goods in the U.S. market are often higher than the prices of similar American items and so-called non-price factors are being used to ensure the competitive potential of Japanese products (high product quality, economical product operation, the strict observance of delivery schedules, consideration for market conditions, preferential credit terms, etc.), it is extremely difficult for the United States to defend the traditional thesis that the success of Japanese exports in the American market is based on dumping prices.

Washington is accusing the Japanese Government of restricting American imports in Japan by means of such measures as the "buy Japanese" policy, the maintenance of import quotas on some commodities and the establishment of complex bureaucratic obstacles. Now, however, people in the United States have begun to realize that the reduction of the U.S. share of Japanese imports from 29 percent in 1965 to 16 percent in 1979²⁵ was largely due to such factors as, for example, the generally lower competitive potential of American industry, the passive attitude toward the study and mastery of the Japanese market, etc. This is also attested to by the fact that Japan has canceled virtually all of its import quotas, liberalizing, for example, imports of color television sets in 1964 and motor vehicles in 1965. Japanese import duties are much lower than American duties (the Japanese duty on color television sets is 4 percent, while the American one is 5 percent; Japan has no import duty on passenger cars, but in the United States it is 2.9 percent, etc.)²⁶ Japan adopted the GATT regulations, but the number of cases in which Japan has been accused of dumping in the American market, according to Brookings Institution researcher P. Trezise, did not exceed 20 a year between 1972 and 1977. In his opinion, most of the American complaints about Japanese trade practices either fall within the province of bilateral U.S.-Japanese agreements or are settled with the aid of GATT agreements or American legislation prohibiting violations of bilateral trade regulations.²⁷

Problems in trade and economic relations are always the focus of talks between the two countries, including U.S.-Japanese summit-level meetings. In 1979 the United States was able to stop the growth of its deficit in trade with Japan slightly, reducing it to 8.6 billion dollars. It was able to gain a number of concessions

from the Japanese Government, aimed at increasing purchases of American foodstuffs, ball-bearings, etc. As a result, whereas U.S. exports to Japan were 36.4 percent greater in 1979 than in the preceding year, imports from Japan increased by only 7.3 percent,²⁸ and this was primarily connected with the lower exchange rate of the dollar in comparison to the yen.

When the prospects for the development of U.S.-Japanese trade relations are assessed, it is apparent that conflicts between the two countries will be aggravated periodically because it will be impossible to overcome the deep-seated inter-imperialist contradictions between them. Furthermore, we can assume that the globalization of Japanese foreign economic ties, the attempts of Japanese monopolies to conquer new raw material and sales markets and the growing competitive potential of Japanese industry will give rise to political, as well as economic, conflicts between Japan and the United States.

The development of U.S. policy toward Japan represents a complex combination of centrifugal forces, stemming from the existence of deep-seated intra-imperialist contradictions, and centripetal tendencies, which, under the conditions of the continuous process of change in the global balance of power, are acquiring particular significance for the consolidation of the capitalist world with the United States as its leader.

Against the overall background of the Carter Administration's foreign policy failures, policy toward Japan seemed to be one of the most stable areas of American policy in the second half of the 1970's. It is this tendency that the Reagan Administration will most probably try to develop in the area of U.S.-Japanese relations, in which more emphasis is being placed on the development of military cooperation for the purpose of maintaining and reinforcing Washington's control over Japanese foreign policy in general and the embryonic Japanese military machine in particular.

As for Japan, as the accountability report of the CPSU Central Committee to the 26th Party Congress noted, "the negative features of its foreign policy line are becoming more pronounced--the tendency to go along with the dangerous plans of Washington and Beijing and the tendency toward militarization. We, however, do not believe," L. I. Brezhnev said, "that this is Tokyo's last word, so to speak, and we hope that farsightedness and a recognition of Japan's own interests will prevail."²⁹

It is obvious that the desire of Japanese ruling circles for more active military contracts with the United States and their willingness to share Washington's burden of policy from a position of strength, aimed at more brutal confrontation with the USSR, are dangerous and are contrary to the actual interests of the Japanese public.

FOOTNOTES

1. THE WASHINGTON POST, 8 May 1981.
2. "World Armaments and Disarmament," SIPRI Yearbook 1980, Stockholm, 1980, pp 20-21.

3. JAPAN QUARTERLY, No 2, April-June 1981, p 174.
4. "U.S.-Japan Relations and the Security of East Asia," edited by F. Weinstein, Boulder (Colorado), 1978.
5. DAILY YOMIURI, 11 August 1980.
6. MAINICHI SHIMBUN, 10 December 1980.
7. YOMIURI SHIMBUN, 27 March 1981.
8. MAINICHI SHIMBUN, 12 August 1980.
9. Japan's purchase of the American F-15 plane, which has an in-flight refuelling system that considerably augments its range of action, is not considered to be the acquisition of an offensive weapon, although a few years ago the Japanese Government turned down a deal involving the purchase of the similar but less advanced F-4 fighter plane from the United States on the grounds that this plane could be used for offensive purposes.
10. AVIATION WEEK AND SPACE TECHNOLOGY, 11 February 1980, p 89.
11. "Setting National Priorities: Agenda for the 1980's," Wash., 1980, p 435.
12. AVIATION WEEK AND SPACE TECHNOLOGY, 14 February 1980, p 40.
13. CHRISTIAN SCIENCE MONITOR, 23 April 1980.
14. SANKEI SHIMBUN, 25 August 1979.
15. Ibid., 7 November 1980.
16. "The Common Security Interests of Japan, the United States and NATO," Joint Working Group of the Atlantic Council of the U.S. and the RIPS, Washington-Tokyo, December 1980, p 37.
17. ASIA PACIFIC, No 7, Winter 1980, p 46.
18. YOMIURI SHIMBUN, 13 April 1981.
19. MAINICHI SHIMBUN, 13 August 1978.
20. YOMIURI SHIMBUN, 4 March 1980.
21. "Setting National Priorities: Agenda for the 1980's," p 416.
22. SEA POWER, No 2, 1979, p 31.
23. "Highlights of U.S. Export and Import Trade, FT 990," U.S. Department of Commerce, Wash., 1980.

24. Ibid.
25. "Tsusho hakusho, 1980," Tokyo, 1981.
26. BUSINESS WEEK, 16 March 1981.
27. "Setting National Priorities: Agenda for the 1980's," Wash., 1980, p 440.
28. "Highlights of U.S. Export and Import Trade, FT 990," Wash., 1980.
29. "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, 1981, p 25.

8588

CSO: 1803/11

DEMOCRATS IN SEARCH OF NEW ROADS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 27-39

[Article by V. O. Pechatnov*]

[Text] Whenever two or three Democrats come together in the capital these days, the WASHINGTON POST remarked at the beginning of the year, the conversation invariably turns to the "fate and future of the world's oldest party."¹ The Democrats have something to wonder about. They not only suffered a crushing defeat in their struggle for the White House in the 1980 election, receiving even less electoral votes than Herbert Hoover in the memorable 1932 election, but also lost control of the Senate for the first time in 22 years. The Democrats' positions in the House of Representatives and in local government have been seriously weakened. The party has not suffered a failure of these dimensions--simultaneously on all levels of authority--for almost 30 years.

The election illustrated the serious erosion of the Democrats' traditional base: This time, from the groups that traditionally vote Democratic, the Democratic candidates only won 50 percent of the low-income vote, 47 percent of the votes of labor union members and their families, 40 percent of the Catholic vote, 53 percent of the big city vote and, most importantly, only 66 percent of the votes of registered Democrats (according to the data of a poll conducted by CBS and THE NEW YORK TIMES). Only the black voters remained as loyal to the party as ever.²

The noticeable reduction of the party's regional base as a result of the rapid progressive loss of its influence in the western, southwestern and southern parts of the country, was an equally menacing omen for the future of the Democratic Party. Whereas in 1980 Carter won 44.7 percent of the total votes cast for the candidates of the two main parties, with a reduction of support averaging 12.5 percent in comparison to 1976, the indicators for the 17 states west of the 96th meridian were 34.7 percent and 23.7 percent respectively. According to estimates, by the time of the 1982 congressional elections, after the electoral districts have been altered

* For a discussion of the internal state of affairs in the country and the balance of political power in connection with the election campaign and the Republican victory in the 1980 election, see the articles by V. A. Savel'yev (No 2, 1980), B. R. Izakov (No 5, 1980), N. N. Glagolev (Nos 7 and 9, 1980), O. N. Anichkin (No 8, 1980), N. P. Popov (No 11, 1980), V. O. Pechatnov (No 12, 1980), Ye. M. Silayeva (No 1, 1981) and M. M. Petrovskaya (No 3, 1981)--Editor's note.

according to the results of the 1980 census, the western states and Florida will gain 17 more seats in the House of Representatives (at the expense of the northeast and industrial midwest).³ This means that the Democrats could lose even more voter support. The positions of Democrats have also been seriously weakened in the south, where they lost the presidential election in every state but Georgia. Furthermore, it is precisely the regions listed above, as the data of the latest census vividly confirmed, that are developing most quickly, accumulating economic potential,⁴ acquiring a larger population and gaining more political influence. Within the framework of the pronounced regional polarization between the parties, the Democratic Party is becoming the party of the degraded urban industrial centers of the north. This process could also lead to the most serious consequences in the future.

This sad arithmetic indicates something more than just the personal unpopularity of ex-President Carter or objective demographic changes. The Democrats' present troubles stem from the severe ideological, political and organizational crisis that has been mounting for several years. At the heart of this crisis lies the inconsistency of the Democrats' traditional political aims and programs with the realities of the present day.

For many years the Democrats dominated U.S. politics, calling themselves the "party of reform and prosperity." Under the conditions of economic growth and relatively solid U.S. global positions, this party successfully conducted a reformist policy, conceding to the demands of the working public in order to uphold "social stability," a policy which simultaneously did not restrict the privileges of monopolies or the line of active intervention in foreign affairs. Mounting economic and foreign political difficulties, however, revealed the inefficiency of the traditional methods of Democratic socioeconomic policy in the resolution of such problems as inflation, poverty, urban decline and others. The mere expansion of government intervention by increasing the number of federal programs and the appropriations for their implementation no longer produced the anticipated results. Furthermore, the opposition to this policy by middle-income taxpayers was growing. All of these factors first became apparent at the end of the 1960's, when the party, according to J. Galbraith's eloquent description, became "conservative from exhaustion."⁵ Even then, after the defeat in the 1968 presidential election, lively debates began within the party with regard to ways of renovating its ideological and political image in the face of the growing threat of Republican superiority. This search for a "new image" inclined the party perceptibly to the right.

George McGovern's election campaign was an attempt to overcome the crisis by leftist liberal means--by revising the priorities and methods of government policy in the direction of more democratic government, the restriction of monopoly privileges and the abandonment of militarism in foreign policy. But the leftist "rebellion" led by G. McGovern in the party did not lead to its ideological and political reorientation, but merely intensified internal discord. The Watergate scandal, which seriously undermined the prestige and influence of the Republicans, relieved the Democrats of the need to continue their agonizing reassessment of values. The conquest of the White House in 1976 conveyed the impression that all was going well. In reality, however, this impression was false, and the factors that had brought about the crisis in the party gained stronger influence in subsequent years.

Under the conditions of economic recession, galloping inflation and the growing deficit in the federal budget, the continuation of the liberal reformist line was

impeded by an increasing shortage of resources. Monopolistic circles began to exert more pressure on the government, seeing an escape from their economic difficulties in a new redistribution of the federal budget in the interest of accelerated accumulation in the private capitalist sector by means of the restriction of social expenditures and reduction of production outlays connected with government regulation in the areas of environmental protection, conservation, labor safety, consumer protection, etc. Finally, the decline of the real standard of living dramatically intensified the mass opposition of middle-income strata to increased government spending. This movement, guided by rightwing conservative propaganda against the expansion of government social expenditures, took the form of a "taxpayers' revolt."

In addition, the living conditions of another segment of the Democratic voter coalition, namely low-income strata dependent on government assistance, continued to deteriorate, and their demands on the government continued to grow. As a result, the traditional coalition of voters supporting the Democrats was divided by these contradictory aims and suffered from increasing internal incompatibility. The sociopolitical struggle within this coalition and in the nation as a whole became, as prominent American economist L. Thurow conclusively demonstrated in his latest book, a "game with a zero score,"⁶ in which a victory for one group signifies a loss for another. The Democrats have always preferred to increase the size of the "government pie" as such instead of resorting to income redistribution, which could lead to social tension. Now that economic growth has slowed down considerably, however, they have been unable to adapt to new political realities.

In this situation, the direct, "linear" continuation of traditional Democratic policy turned out to be completely impossible. "We have reached a watershed," DISSENT, the magazine of the American socialists, remarked in this connection. "For the lifetime of an entire generation, the Democrats have refused to reconsider the priorities that were set in the corporate interest; as a result, they have now almost completely lost all opportunities to continue adhering to the liberalism of the 'state of prosperity' of the last four decades. There is much less room to maneuver between the onslaught on monopoly power and the attack on the interests of the poor."⁷ As soon as the possibilities of liberal centrism were exhausted, the question of alternative policies was posed, and more inexorably than before.

On the one hand, it is clear that the further development of the line of reform will only be possible if the existing priorities and methods of government policy are substantially revised. However, the outcome of the first, and quite modest, effort in this direction, made in 1972 by G. McGovern and his followers, proved that a party controlled by monopolistic capital could not accomplish this kind of revision. On the other hand, if the Democrats had chosen the rightist conservative alternative, they would have lost voter support and would have had to give up their leading role in the functioning of the machinery of state. The entire domestic policy of the Carter Administration was marked by vacillation from one of these tendencies to the other. After winning the election on the strength of liberal reformist slogans, Carter began a vacillating, but constant shift in the direction of conservative policy and thereby lost the support of much of the electorate without receiving anything in return. This shift only aggravated the ideological and political crisis, broadened the rift within the party and helped to turn the party into a symbol of inconsistency and inability to solve pressing socioeconomic problems.

In their 1980 platform, the Republicans had good reason to accuse Democratic politicians of having "no program or ideas" capable of improving the situation in the country. The authors of the document venomously wrote: "Experiencing a state of discord and lacking leaders capable of foreseeing new developments, they dash about, reiterating their own eternal policy although they are fully aware of its feebleness."⁸ Against this background, the rightist conservative alternative proposed by the Republicans seemed preferable, if for no other reason than its resoluteness. Combining an openly pro-monopoly outlook with speculations on populist anti-statism and with promises to "heal" the economy with the aid of cuts in taxes, government spending and the excessively large civil service, this program helped the Republicans launch a successful campaign offensive in the sphere of economic affairs. The sharp escalation of inflation and the economic recession under the Democratic administration also helped. For the first time since the "New Deal," public opinion polls testify, the Republican Party has acquired the image of a strong party, more capable than its rivals of coping with the nation's main economic problems. Recent events have shown that the tactic, invented by R. Nixon, of consciously relying on the "silent majority" has brought this party greater political dividends than the "omnivorous" tactic has brought the Democrats.

The ideological and political crisis in the Democratic Party was accompanied by an organizational crisis. It was connected with a shortage of financial resources (suffice it to say that in 1979-1980 its National Committee and local party committees collected only one-sixth as much in contributions for the congressional election fund as their Republican rivals, who "solicited" the record sum of 108.9 million dollars),⁹ the weaker contacts between the National Committee, party factions in Congress and local party organizations while James Carter was in the White House, obvious inferiority to the Republicans in the use of the latest methods and technical media in the campaign and the obvious underestimation of Republican tactics. As a result, as the new chairman of the party National Committee, C. Manatt, admitted, "we were beaten in all respects--in concepts, organization, television advertising, coordination, financing and efficiency."¹⁰

The effect of these factors and of long- and short-range tendencies testifies to the severity of the crisis the Democratic Party is now experiencing. "The End of the Democratic Era"; "Is It Possible To Survive This Kind of Catastrophe?"; "The Democrats on the Verge of Extinction"--these are some of the characteristic titles of articles about the present and future of the party that were printed in the American press after the 1980 election. Many Democratic politicians realize that the situation is extremely critical. "The voters want new ideas from us," Senator G. Hart said after the election, "the old slogans and solutions are no longer in demand." "For a long time we have been coasting on the momentum left over from another era, and it is almost gone," admitted Senator P. Tsongas from Massachusetts. "We must come up with something new if we want to survive." "The Democratic Party is facing hard times," Senator E. Kennedy agreed, "and we must restore our party's influence." If the party does not draw the proper conclusions from its defeat, warned Speaker of the House T. O'Neill, now the party's official leader in Congress, the Democrats will be a minority party for a long time, because "the present threat to the party is the most serious since the 1930's."¹¹

The defeat has given the party one advantage, however: It, according to A. Schlesinger, Jr., "has given the Democrats a long-awaited chance to take a new and more intense look at the problems besieging the country."¹²

What lessons will the Democrats learn from these events? What directions will the future development of this party take? The future of the Democratic Party, its ability to return to power and, consequently, the development of the overall political situation in the country in coming years will all depend on the answers to these questions.

The search for a "new image" in a political organization as heterogeneous as the Democratic Party has unavoidably been accompanied by fierce internal struggle and conflicts between various groups, views and interests. Furthermore, the main tendencies in this struggle are taking shape under the influence of the ruling Republican Party's policy line. The struggle has already revealed some specific facts.

Up to the present time, there has been a clear tendency toward a further shift to the right. The party is being pulled in this direction by the conservative wing inside and outside the Congress. The leaders of this wing (mainly politicians from the southern and western states) have altered their views to fit the rightist conservative fashion of the times and see an escape from the present situation in the overt adoption of Republican slogans in the struggle for the votes of the vacillating "conservative majority," on which the Democrats' rivals have traditionally relied. Now that the liberal Democrats, as Congressman P. Gramm from Texas, one of the spokesmen for "conservative renewal," puts it, "have lost contact with the feelings of the American people,"¹³ the time has come to eliminate all traces of liberalism from party aims.

This tendency has already found organized expression in the House of Representatives. The "Conservative Democratic Forum," a group of 35 congressmen, was formed soon after the election at the initiative of the same P. Gramm and his fellow Texan C. Stenholm. The new organization announced its willingness to support Republican economic policy. It wants to increase the influence of the conservatives within the Democratic House faction and aspires to the role of a vote "balancer," capable of tipping the scales in favor of one party or the other (the Republicans now need only 26 additional votes for a majority in the House of Representatives).

A similar process, involving the heightened activity and unity of the "new conservatives," can be seen in the Senate, where a group of 10 Democratic senators, according to the WASHINGTON POST, is trying to "blur the liberal image of the party."¹⁴ In addition to the ringleaders, Senators D. Boren (Oklahoma) and D. DeConcini (Arizona), the group is made up of E. Hollings (South Carolina), J. B. Johnston (Louisiana), S. Nunn (Georgia), L. Chiles (Florida), J. Exon and E. Zorinsky (Nebraska), H. Heflin (Alabama) and D. Pryor (Arkansas). Without a sharp turn to the right, the leaders of this group believe, "the party will not survive in the south and the west";¹⁵ furthermore, they are describing their activity as "an attempt to put the party back in the mainstream." Although tactical considerations have kept the group from becoming an official organization, there is no question that it will be a significant factor in the balance of Senate power.

The political platform of the "new conservatives" in the Democratic Party--in contrast to their predecessors, the segregationist Dixiecrats--is distinguished by primary concern with general economic and foreign policy matters. This means that they are in favor of sharply increased tax and other privileges for monopolies and

high-income strata, reduced social spending and government regulation in the private business sector, and the maximization of American military strength. In these matters their views coincide with those of conservative Republicans.

The increased activity of conservative Democrats in the Congress is creating real possibilities for the rebirth of the earlier "conservative coalition" of southern Republicans and Democrats, which was seriously weakened in the late 1960's and the first half of the 1970's. But what is the purpose of this tactic of imitating the Republicans and competing with them on their territory to strengthen the Democrats' own position? A victory in this area would be extremely problematic, according to many Democrats. "If the voters prefer an essentially Republican policy," remarked, for example, R. Scott, chairman of the Democratic farmers' and workers' party in the state of Minnesota, "they will elect Republicans to conduct this policy, and not 'born-again' Democrats."¹⁶ But the main consideration is that this solution to the problem would completely alienate the party from those of its constituents who support the Democrats because they do not want a "Republican policy."

The opposite tendency, which is gaining some ground in the party's left wing, is the line of more democratic social policy and the abovementioned demand for considerable revisions in the present system of national priorities. Here the main initiative comes from below, from mass democratic movements and organizations opposing cuts in social expenditures, the new privileges for monopolies and the unbridled arms race. The leading nucleus in this current is made up of the leftist-centrist labor union leadership, a group of leftwing activists within the party, the most active of whom are Congressmen R. Dellums and J. Conyers, the "Organizational Committee of Democratic Socialists," a group headed by M. Harrington and allied closely with the Democratic Party, and several other leftist liberal organizations which act within the framework of the progressive coalition. This coalition was formed at the end of 1978 to prevent a further shift to the right in the Democratic Party and in the country as a whole.¹⁷

It was on this basis that a new and large coalition, made up of more than 150 organizations, began to take shape in the first months of 1981 for a struggle against the Republicans' proposed cuts in social appropriations. Although most of these organizations are connected in one way or another with the Democratic Party, few party officials have formally agreed with their demands as yet. The few who have done this include Senator G. McGovern, who spoke of major party objectives in his farewell address to the Senate and included among these objectives constant and deeper detente in relations with the USSR, decisive measures to renovate crisis regions and cities and lower expenditures on weapons, including nuclear weapons, which can be produced "on the condition that the SALT agreements are ratified."¹⁸ In view of the fact that most of the political forces involved are still within the orbit of the Democratic Party, social reformist activists are determined to increase their influence in the party. In this connection, great hopes have been invested in the 1982 mid-term party convention, where leftist forces plan to give conservatives a run for their money.¹⁹

Finally, the third and most influential (although also the most heterogeneous) current takes in moderate-centrist party forces, from the liberal wing to the moderate-conservative wing. To a considerable extent, they are held together by the force of inertia and a desire to preserve the continuity of party traditions with minimal

ideological and political reorientation. After rejecting the possibility of costly reforms, how can they keep their "democratic image" and the traditional segments of their voter coalition--members of labor unions, ethnic minorities and low-income strata? How can they stay "isolated" from the Republicans without transcending the bounds of their safe centrism? How can their customary insistence on broader government intervention be reconciled with the need to adapt to strong anti-state feelings in the country? How can they keep the party from becoming a "geographic hostage" (a term coined by R. Stearns, E. Kennedy's aide), confined to "the bankrupt cities and obsolete industry" of old industrial zones?²⁰ These are the main questions with which most Democratic politicians are now struggling.

Quite frankly, the Democrats do not have any realistic answers to these questions as yet, and it will be extremely difficult to find answers, considering the objective nature of the party's present ideological crisis. "It is still not clear," W. Burnham, prominent American political scientist, said about the Democrats' chief dilemma, "how, when and under whose aegis the Democrats will regain a sense of community in their image, goals and intellectual outlook." If the "social democratic path," he continues, is rejected outright, if the traditional line of developing "political capitalism" (read: state-monopoly capitalism) ceases to "yield benefits" and, finally, if the possibility of "merging" with the Republicans is excluded, what will the Democrats do?²¹

Massachusetts Senator P. Tsongas, one of the most zealous preachers of the "ideological renewal" of the party, simply listed the "new problems which must be solved if the Democrats want to become the party of the future" in his program, mentioning the energy crisis, the "overloaded biosphere," "nationalism in the Third World," the slowdown in economic growth and the need to heighten the competitive potential of American industry.²² Senator G. Hart, another of the Democrats' "great hopes," did not go far beyond this with his idea about "replacing government regulation with the influence of economic incentives."²³

More sweeping projects, however, have aroused interest in Democratic circles. One of them was set forth in the farewell address of S. Eizenstat, former President Carter's assistant for domestic affairs and policy, which he devoted expressly to the future of the party. In essence, however, his ideas are simply a projection of Carter's line to the years ahead. In the economic sphere he proposes the familiar and ineffective policy of "voluntary price and wage controls" and a palliative policy in power engineering, playing up to the neoconservatives by suggesting how "to free the market from the heavy hand of government." In the sphere of social policy he proposes nothing new, saying that it is time to take stock of existing programs and assess their degree of effectiveness with a view to the limited nature of government resources.²⁴

More energetic initiatives have also been set forth by Democrats with regard to economic revival, aimed, in contrast to the recipes of the "new conservatives" and their imitators in the Democratic camp, at strengthening government's role in planning, in the redistribution of resources and in the comprehensive support of domestic industry. This applies, for example, to the proposals of renowned New York financier F. Rohatyn, proposals which were commended by a number of prominent liberal Democrats, about the restoration, on a broader scale, of the Financial Reconstruction Corporation, which did much during the years of the New Deal to prevent

the bankruptcy of corporations, banks and municipalities. Its main purpose would be the subsidization of depressed branches in exchange for the actual consent of labor unions to refrain from strikes and to take measures in conjunction with company administrators to heighten labor productivity and reduce production costs. The same spirit was expressed in G. McGovern's proposal to create a large government energy corporation as a counterbalance to the oil monopolies, and several other ideas.²⁵ The authors of these proposals have paid special attention to the need to revive industry and urban centers in the northeast, because the "economic and social price of their bankruptcy," in F. Rohatyn's words, "would be absolutely unacceptable."²⁶ The significance of this problem for the Democrats has already been discussed.

Before these diverse ideas and initiatives can take the form of programs of action, however, an extremely long road will have to be traveled and, judging by all indications, the Democrats have only taken the first steps so far. A confidential seminar for Democratic congressmen for the discussion of economic and sociopolitical issues was first organized in January of this year. It was attended by prominent specialists from the party's "brain trusts"--J. Pechman, J. Barber, W. Heller, M. Barron and others. The Democratic leader in the House, J. Wright, expressed the hope that this measure would "help to unite our ranks,"²⁷ but this mobilization of intellectual forces has not produced any practical results as yet. This is also attested to by the feeble response of Democrats in the Congress to the economic program of the new Republican administration, although this program would strike a blow at much of the Democratic legacy of past years in the sphere of social policy.

Nevertheless, the Democrats have not only failed to put forth new alternative programs, but have not even displayed any particular desire to protect existing programs from the Republican scissors, even though they have had many opportunities, especially in the House of Representatives with its considerable budget authority, where they still hold the majority and control key committees.

At the same time, the party's liberal wing has correctly discerned the nature and dimensions of the new threat to its social achievements. The Republican administration's economic program has been loudly protested by labor unions, which have put forth their own program to combat unemployment and inflation. It has been criticized even more pointedly by leaders of black organizations, who are fully determined, as the head of the National Urban League, V. Jordan, declared, "not to allow the fruits of 20 years of slow and agonizing progress to be trampled."²⁸ Several mayors and state governors have expressed their disagreement with many provisions of the White House program.

Some voices have also been raised in protest in the Congress, particularly the voices of Democratic congressmen from the "snow belt," who are well aware that, "in the political sense, Reagan's program will signify the further redistribution of resources in favor of the lucky regions that served as his base in the 1980 election, at the expense of traditionally Democratic regions."²⁹ The need to combat inflation and the decline in economic efficiency while maintaining the present level of social spending has motivated some Democrats to cast an even more critical eye on the Republican arms race program. This motive was quite apparent, for example, in Senator P. Tsongas' prediction that the "huge military expenditures will

absorb the key capital resources and technical experience required to satisfy the needs of American power engineering and the economic infrastructure."³⁰ Even the extremely conservative Democrat J. Jones, the new chairman of the House Budget Committee, made a televised appeal to President Reagan to continue the talks with the USSR on the limitation of the arms race so that military expenditures could be reduced and the federal budget could be balanced.³¹ However, as former U.S. representative to the United Nations A. Young remarked in one of his recent articles, "the anti-Soviet paranoia that is sweeping the country is turning even the mere discussion of cuts in military spending into an impermissible heresy."³²

It should be understood that these voices are still not having much of an impact in the Democratic camp. In spite of all the proper assurances of willingness to "take constructive action and suggest alternatives,"³³ the leadership of the Democratic Party faction in the Congress had a fairly apathetic initial response to Reagan's economic program.

The first organized attempt to work out an alternative to Republican economic policy was made in April 1981, when the House Democratic caucus proposed its own alternative budget and "policy statement on economic principles." These proposals are interesting primarily as a draft Democratic political strategy, aimed at uniting the party and consolidating its position among voters.

On the one hand, they "do not represent a radical departure from the President's program" (according to J. Jones, the main author of the "counterbudget"),³⁴ as they agree to around 75 percent of the Republicans' proposed cuts in civilian expenditures and support the general goals of a balanced federal budget and the curtailment of 'excessive government regulation.' In an uncharacteristic attempt to depict itself as the "party of financial responsibility" in counterbalance to the risky experiments of the Republicans, the Democratic Party is even promising a smaller deficit and lower government expenditures, as well as the quicker balancing of the federal budget. On the other hand, these proposals envisage smaller reductions in social appropriations than Republican plans and are liberally seasoned with rhetoric about "defending the interests of the poor."

The additional funds needed for the simultaneous attainment of these contradictory goals are to be obtained by reducing the tax cut, economizing more on the maintenance of the civil service and practicing some restraint in military spending in comparison to the expenditures proposed by the Republicans. In connection with this, the "statement on economic principles" advises the continuation of SALT.

Proposing a more "humane and effective" variety of conservatism, this program is aimed primarily at competing with the Republicans for the support of wealthier voters while holding on to the traditional Democratic Party base. The draft budget, according to House Majority Whip B. Alexander, "will change the policy line of the Democratic Party, which is obviously facing the danger of minority party status. It will serve the needs of the average American taxpayers who have nearly turned away from us, but it will not leave the poor and underprivileged at the mercy of fate either."³⁵ Time will tell how effective this tactic is.

Obviously, the struggle over the new Republican administration's policy has just begun. It will take some time for the party leaders in the Congress to grow

accustomed to playing the unfamiliar role of the opposition. It is true, however, that the Democrats do not have much time, considering the fact that the struggle over Republican policy is quickly moving, as correspondent D. Browder put it, "from the phase of rhetoric to the phase of trench warfare,"³⁶ and this will require the opposition party to define its position more clearly.

So far, the centrist Democrats have put their trust primarily in the "indissolubility" of problems and in future mistakes by the Republicans, as a result of which the pendulum of the two-party system will be set in motion once again and a Democrat will ride the wave of voter discontent to the White House, perhaps even in 1984. "The pendulum will swing back," Senate minority leader R. Byrd asserted. "People will grow tired of extremely rightist, ultra-conservative policy."³⁷ Frequent references are made to historical precedents, to the 1953-1960 and 1969-1976 periods, when the Democrats made use of their defeats to regroup their forces and accomplish a triumphant return to power. We must not forget, however, that whereas in the 1950's, when the potential of traditional liberalism was still far from exhausted and the Democrats were fortunate enough to assume power with the updated reformist program of the "New Frontier" and "Great Society," in the 1970's they were able to take the helm only as a result of Republican errors, and not because they had solutions to the problems facing the country. Four years later, they had to pay for this. The present situation is similar: Even if the vacillating mood of the voters should put the Democrats back into the White House, this will not guarantee the genuine restoration of party influence. But the Democratic leaders prefer not to worry about the distant future.

The Democrats have also invested great hopes in the financial and organizational reinforcement of the party. In this area, there is more agreement as to present objectives and the methods of their attainment. There is unanimous recognition of the expediency of strengthening the role of professional politicians in the nomination process and reinforcing the party system on the local level and its ties with the National Committee. Special attention is being given to advertising and the expansion of the party's financial base through the more extensive collection of funds by mail through direct solicitation, in which rightwing and conservative groups have been particularly successful in recent years. Another area where the Democrats are lagging far behind their rivals is the system, vigorously used by the Republicans, to determine the most sensitive districts and give candidates special training for these districts. This requires considerable financial and organizational resources.

All of these technical improvements certainly promise certain opportunities, but they are obviously not enough for a radical improvement of the situation.

A special role in the ideological mobilization and unification of the party has been assigned to its national committee, which will be--along with the leadership of the congressional faction--its main coordinating center during the years the party is in the opposition. Citing the example of Paul Butler, chairman of the Democratic National Committee in 1957-1960, who did much to engineer the party program, A. Schlesinger, Jr., feels that the party still needs "not merely an expert on bolts and screws, but a man who sees his main duty as priming its intellectual pump."³⁸ The choice made by the National Committee at the end of February, however, testifies that organizational and financial considerations have been given priority over ideological and political needs.

The new chairman of the National Committee is 44-year-old Charles Manatt, California millionaire, attorney and banker, chairman of the board of the First Los Angeles Bank and partner in the influential law firm of Manatt, Phelps, Rothenberg & Tunney. He has worked for the Democratic Party for a long time, starting in its youth and student groups; he took an active part in organizing the campaigns of Lyndon Johnson and many California Democrats, later became the chairman of the state party organization and was then the chairman of the National Committee's financial council. Manatt has always been particularly capable in the collection of contributions and in organizational matters. In a policy statement he made at the time he took office, he promised to "renew the party from top to bottom" so that it could meet the challenges of the 1980's and 1990's and proposed the creation of a special consultative council made up of prominent Democrats to work out a "new agenda for America." For the most part, however, his statement concentrated on organizational and financial problems in the party.³⁹

A considerable share of the responsibility for the party's future is also being borne by the most dynamic segment of its leadership--the potential candidates for the presidency.

A special position in this group is occupied by Senator Edward Kennedy, who was described by WASHINGTON POST correspondent G. Will as "the youngest (48) political veteran, a man who was in the Senate before Ronald Reagan, the oldest newcomer to the White House, went into politics."⁴⁰ The 1980 election campaign gave Kennedy the reputation of the principal leader of the party's liberal wing. He has maintained and strengthened his ties with labor unions, the black movement and liberal Democratic organizations. His move from the Senate's prestigious Committee on the Judiciary to the Committee on Human Resources is indicative. Here he apparently hopes to become the organizer of the opposition to the Republicans' socioeconomic policy. Even his first criticizing remarks about the Republicans' adventuristic actions in the sphere of military and foreign policy testify that Kennedy is basing his political strategy--with an eye on 1984--on liberal opposition to Republican policy. It is still not clear whether Kennedy will go further in the already exhausted area of traditional liberalism or will remain the "keeper of the faith" during these "hard times" and will not want to exacerbate the already tense relations with conservatives in his own party.

Former Vice President Walter Mondale is considered to be a serious Kennedy rival (primarily within the context of the future race to win the Democratic nomination for the presidency in the 1984 election). After 4 years in the White House, Mondale returned to his home state of Minnesota, where he is equally active in business (as a member of the board of directors of the Control Data Corporation and Columbia Pictures), the academic community (as a professor of law in a local university and a leading researcher at the Hubert Humphrey Institute) and politics, using his support base--the Democratic farmers' and workers' party of Minnesota--for a possible return to the political arena. The struggle between them could be close due to the similarity of their views and of both politicians' support bases. Mondale echoed Kennedy when he said that the Democrats would "fight for social justice" under the Reagan Administration.⁴¹ The fact that Kennedy and Mondale are preparing for a serious struggle is also attested to by the creation of special committees by both men this February to finance election campaigns on all levels. These organizations (Mondale's "Committee for the Future of America" and Kennedy's

"Fund for a Democratic Majority") will not only finance the campaign expenses of other Democratic politicians but might later be used in the campaigns of their organizers. These measures also have a common goal: With a view to the lessons learned from the election defeats of 1978 and 1980, they are to create a counter-balance to the Republicans' vigorous efforts to finance their candidates through so-called "committees for political action."⁴²

Another contender for the leading spot in the Democratic Party and a potential entry in the next "presidential marathon" is California Governor E. Brown. In contrast to the two former politicians, he has not completely worked out his political image or strategy as yet. In an attempt to overcome the restricted nature of traditional liberalism, he is trying to create a new coalition of "economic conservatives" and "social liberals," but his experience in the 1980 campaign proved that this attempt has not been successful as yet. Brown is still searching for a way to synthesize liberal and conservative positions and intends, in his words, to take part in "defining new paths" for the party.⁴³ Another representative of the younger generation of Democratic leaders, Senator G. Hart, is also moving in this direction. He is also regarded as a possible contender for the presidency.

The party's conservative wing does not have any unanimously accepted leaders, although it is aware of its growing potential and will probably try to question the traditional liberal monopoly in the party leadership. Its potential leaders and possible candidates for the presidency include Arizona Governor B. Babbitt and Senators D. Moynihan and S. Nunn.

In short, there are more than enough people who are eager to carry the party banner, but what will be inscribed on it? The Democrats still have to answer this question, and their answer will largely determine the political future of the "world's oldest party."

FOOTNOTES

1. THE WASHINGTON POST, 30 January 1981.
2. NATIONAL JOURNAL, 8 November 1980, p 1878.
3. THE NEW YORK TIMES, 1 January 1981.
4. For a discussion of the results of the U.S. census, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1981, pp 66-77.
5. J. Galbraith, "Who Needs the Democrats and What It Takes To Be Needed," N.Y., 1970, p 9.
6. L. Thurow, "The Zero-Sum Society. Distribution and Possibilities for Economic Change," N.Y., 1980, p 11.
7. DISSENT, Fall 1978, p 369.

8. "The Republican Platform," Detroit (Michigan), 1980, p 1.
9. THE WASHINGTON POST, 22 February 1981.
10. THE NEW YORK TIMES, 28 February 1981.
11. THE WASHINGTON POST, 6 November 1980; THE NEW YORK TIMES, 28 February 1981.
12. WALL STREET JOURNAL, 20 November 1980, p 26.
13. THE NEW YORK TIMES, 7 January 1981.
14. THE WASHINGTON POST, 31 January 1981.
15. Ibid.
16. NEWSWEEK, 18 August 1980, p 28.
17. For a more detailed discussion of this organization, see I. A. Geyevskiy and S. A. Chervonnaya, "A Coalition of Organized Social Protest," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 8, 1979.
18. CONGRESSIONAL RECORD, 15 December 1980, pp S16638-16639.
19. PROGRESSIVE, October 1980, pp 25-26.
20. NEWSWEEK, 18 August 1980, p 29.
21. W. Burnham, "The 1980 Earthquake: Realignment, Reaction, or What?" Boston, 1980 (mimeo), pp 40-41.
22. TIME, 17 November 1980, p 29.
23. NEWSWEEK, 18 August 1980, p 29.
24. CONGRESSIONAL RECORD, 11 December 1980, pp H12349-12351.
25. Ibid., 15 December 1980, p S16639.
26. F. Rohatyn, "Reconstructing America," THE NEW YORK REVIEW OF BOOKS, 5 March 1981, p 18.
27. THE WASHINGTON POST, 31 January 1981.
28. Ibid., 19 February 1981.
29. Ibid., 23 February 1981.
30. Ibid., 22 February 1981.
31. Ibid., 2 February 1981.

32. Ibid., 16 February 1981.
33. From a statement by Senate Minority Leader R. Byrd (CONGRESSIONAL RECORD, 12 November 1980, p S14270).
34. TIME, 20 April 1981, p 25.
35. THE NEW YORK TIMES, 8 April 1981.
36. THE WASHINGTON POST, 18 February 1981.
37. Ibid., 15 February 1981.
38. WALL STREET JOURNAL, 20 November 1980.
39. THE NEW YORK TIMES, 28 February 1981.
40. THE WASHINGTON POST, 29 January 1981.
41. Ibid., 28 February 1981.
42. THE NEW YORK TIMES, 13 February 1981.
43. TIME, 24 November 1980, p 35.

8588
CSO: 1803/11

REPUBLICAN ADMINISTRATION AND CRISIS IN EL SALVADOR

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 40-43

[Article by P. G. Litavrin and I. I. Lyudogovskaya]

[Text] After the Reagan Administration arrived in the White House, U.S. policy toward El Salvador became one of the serious factors escalating international tension.¹ The severe crisis in this small Central American country, which has been going on for a year and a half now, became virtually the main area of America foreign policy for a short time. In February-March 1981 American military aid to the reactionary Duarte junta in El Salvador was resumed, and in April it had already been tripled. Plans were made to increase the economic aid to the junta to 126.5 million dollars in 1981. Secretary of State Haig announced the U.S. Government's "emergency plans" with regard to the events in El Salvador, where it intends to "put an end to the spread of communist influence" in Latin America. The American military presence in the Caribbean was considerably strengthened, threats against Cuba became more vehement and a propaganda campaign was launched "against international terrorism," during the course of which the Soviet Union and Cuba were accused of supplying weapons to Salvadoran liberation forces.

The United States simultaneously exerted more economic and diplomatic pressure on Nicaragua, curtailing American food assistance valued at 10 million dollars on the pretext of this country's alleged intervention in Salvadoran affairs.

This was not all. The Republican Administration took steps to gain international support for its actions in El Salvador and in the Caribbean. At the end of February 1981, U.S. State Department spokesman L. Eagleburger was sent to Western Europe on a "special mission," during the course of which he set forth the Reagan Administration's views on the events in El Salvador and urged the allies to support the U.S. policy line. Washington sent another emissary to a number of Latin American countries at the same time for the same purpose.

In this way the new U.S. leadership tried from the very beginning to depict the situation in El Salvador not only as an internal conflict, if this word can be used to describe a nationwide struggle against a pro-Washington junta, but also as a problem of international dimensions. President Reagan clarified the significance

1. For a discussion of Washington's intervention in El Salvador under the Democratic Carter Administration, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 7, No 80, pp 60-64.

his administration attaches to events in this country and simultaneously tried to justify Washington's aggressive policy by stating: "We are striving to stop the infiltration of the American continent by terrorists and outside intervention by those whose goal is not simply El Salvador, but all of Central America, and then perhaps all of South America and--I am certain of this--ultimately North America as well."

Frightening the public with talk about the "red menace" and "terrorism," the White House essentially declared that the United States intends to fight against the revolutionary liberation movement and progressive forces throughout Latin America. This is why the suppression of the revolutionary liberation movement in El Salvador and the stabilization and reinforcement of the junta's position are regarded in Washington as objectives of great political and propagandistic value.

The U.S. Government hopes to save the Salvadoran junta and also expects to reverse the course of history in neighboring Nicaragua. Taking advantage of the serious economic problems this country inherited from the Somoza regime and threatening to stop economic aid to Nicaragua (including aid transmitted through international organizations), Washington demanded the cessation of the alleged "shipment of Cuban weapons" to Salvadoran patriots through Nicaragua and the curtailment of this country's contacts with the socialist states.

The Reagan Administration's actions were dictated by more than just regional factors. The Republican Administration's ostentatious escalation of tension in Central America actually set the tone for its tough foreign policy line throughout the world. It intended to play the "Salvadoran card" in international relations for the exertion of propagandistic and political pressure on socialist and liberated states. These U.S. goals became particularly evident this spring.

By this time the intensity of the armed struggle in El Salvador had diminished somewhat because the national liberation front made up of the forces opposing the junta had announced its willingness to try to settle conflicts in the country by peaceful means, including negotiation with forces supporting the junta. Mediation services were offered by several Latin American countries and the leaders of the Socialist Internationale. Under these conditions, the American Administration also could have promoted a peaceful settlement in El Salvador. Without objecting verbally to this kind of settlement, however, the Reagan Administration refused to take part in the mediation process. In this way Washington proved that it actually wanted to preserve the tension in El Salvador and to rely on strength rather than political regulation.

Besides this, it became clear that Washington was using the crisis in El Salvador not only for a show of strength and the buildup of the American presence in Central America and the Caribbean, but also for the exertion of pressure on its allies and the further escalation of international tension. The myth about "Soviet-Cuban intervention" in El Salvador was constantly exaggerated for this purpose. The CIA compiled the notorious "white paper" which allegedly contained "documented proof" that the Soviet Union, Cuba, Bulgaria, Vietnam, Ethiopia and Nicaragua, and even the Palestine Liberation Organization, had entered into an "international conspiracy against the United States" and were supplying leftist forces in El Salvador with large shipments of weapons. It is no secret that this malicious, provocative

propagandistic ruse was a complete failure. Everyone knew that Washington needed the "white paper" concocted by the CIA to justify its own military preparations and organization of military intervention, as was the case in the Dominican Republic in 1965. The "white paper" was even discredited in the United States. For example, in an article in NATION magazine, R. McGee, former official in the CIA's Department on International Communism, a man well-acquainted with the practice of manufacturing this kind of "document" within the walls of this organization, wrote: "What the United States is now trying to do in El Salvador reminds us of earlier actions in the Third World countries. The American leaders are forcing unpopular regimes on the people and propping them up with armies, police and weapons. Camouflaging its actual purpose with rhetoric about the struggle against international communism (or, in current terminology, against 'international terrorism'), the United States is supporting large landholders and military antidemocratic regimes in many countries."

Statesmen in the FRG, France, Canada and Sweden expressed their displeasure with Washington's policy toward El Salvador. The governments of Mexico, Costa Rica and Colombia had an extremely negative reaction to this policy.

Segments of the public and the political leadership in the United States began to experience the increasing fear that the country would be drawn into a lengthy regional conflict and that all of this would lead "to another Vietnam." The congressional hearings that began in March 1981 indicated that although American legislators were largely unanimous in their views on economic aid to the Salvadoran junta, there was considerable opposition to the plans for military aid to the junta and, in particular, the direct involvement of U.S. armed forces in El Salvador.

The main opponents of the Reagan Administration's policy in Congress--Democratic Congressmen R. Dellums, S. Solarz, J. Bingham, R. Ottinger and others--said that, in view of the consequences of Congress' unconditional support of the Johnson Administration's escalation of U.S. intervention in Vietnam in the mid-1960's, they could not allow a repetition of "past mistakes" and would do everything within their power to keep the present administration from drawing the United States into an armed conflict in El Salvador. Congressman Dellums stressed: "Congress must not allow the President's obsession to push us back onto the dangerous road of military intervention." In addition, 44 congressmen sent Reagan a telegram to protest the administration's decision at the end of February to send a new group of American military advisers to El Salvador and expand American military aid to the junta. Congressmen Solarz and Bingham and Senator C. Dodd introduced bills in the House of Representatives and Senate to prohibit future economic and military aid to the Duarte junta.

The administration's policy line in El Salvador was also opposed by Democratic Senators E. Kennedy, P. Leahy and J. Glenn and Republican Senators M. Hatfield and W. Rudman. Senator Kennedy said that "if the administration adheres to its present line, American soldiers will soon be dying in El Salvador."

The majority of legislators, however, support White House policy toward El Salvador. The most prominent among them are Republican J. Helms, chairman of the Sub-Committee on Latin American Affairs of the Senate Committee on Foreign Relations,

Senate Republican Majority Leader H. Baker, Chairman J. Tower of the Committee on Armed Services and Chairman C. Percy of the Committee on Foreign Relations. Their reaction to the events in El Salvador proved that many members of Congress have not lost their habit of thinking in the categories of the days when the United States preferred to settle crises in the Latin American region by means of brute force and did not hesitate to organize direct military intervention. Senator Helms has said, for example: "I think we have to take decisive action in Latin America... because El Salvador is essentially our backyard.... When President Johnson sent 20,000 of our soldiers to the Dominican Republic, it did the trick."

Washington's intervention in El Salvador's internal affairs has been sharply criticized by the American progressive public. Rallies and demonstrations were held throughout the nation to express indignation at the administration's interventionist policy. A coalition uniting around 100 public, labor and religious organizations has been formed in the United States and is actively combating this policy. White House policy toward El Salvador has been condemned by American Catholic Church leaders. For example, on behalf of the Catholic hierarchy, Washington Archbishop J. Hickey categorically objected to military aid to the junta and described the plan to send American military "advisers" to El Salvador as an "extremely risky venture."

After encountering opposition in the United States and in the international arena to its line of military escalation in El Salvador, the Republican Administration was convinced that attempts to use events in El Salvador to escalate the hysterical anticommunist campaign would be futile and therefore had to invent new maneuvers. In the middle of March briefings were held for American journalists, during which Secretary of State A. Haig, White House press secretary J. Brady and Assistant Secretary of State for Inter-American Affairs J. Bushnell accused the press of giving the events in El Salvador "unwarranted excess coverage." Commenting on the administration's move, the WASHINGTON POST remarked that Washington was displeased with the "extensive publicity received by the dispatch of American military advisers and weapons to El Salvador, particularly because press reports contained comparisons with Vietnam and suggested that the United States is supporting an unpopular government."

Now it is already clear to any unbiased observer that as long as the antidemocratic junta is in power in El Salvador, the patriots will not lay down their weapons and will not cease their just struggle. Washington's policy is not promoting the settlement of the crisis and, on the contrary, is escalating and prolonging it. Furthermore, it is promoting the involvement of the United States in a situation which could lead, as the experience of the recent past testifies, to serious domestic and international complications.

8588
CSO: 1803/11

UNITED STATES PLANS TO EXPAND NATO'S ZONE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 44-48

[Article by S. A. Ulin]

[Text] At the 26th CPSU Congress it was noted that, "in order to share expenses with others and simultaneously to attach its NATO partners closer to itself, the United States is striving to broaden the functions of this bloc. Washington strategists obviously want to involve dozens of other states in their military preparations and encircle the globe with a cobweb of U.S. bases, air fields and weapon dumps."

American strategists have been planning for a long time to expand NATO's zone of action and its functions, particularly after the disintegration of military blocs set up by the United States during the cold war years, such as SEATO in Southeast Asia and CENTO in the Middle East. These plans were put in motion when the Republican Reagan Administration took power. Secretary of State A. Haig officially announced "innovative," as he called them, proposals: "It is extremely important for NATO to realize that we cannot hide our heads in the sand like ostriches when we encounter events outside the sphere of NATO activity." The Pentagon insisted that the effectiveness of "rapid deployment forces" would be considerably enhanced if they were made part of NATO, whose sphere of interests would extend to the Iranian-Afghan border. At a conference in Munich at the end of February 1981, U.S. Deputy Secretary of Defense F. Carlucci said that "the United States cannot shoulder the entire burden of protecting Western interests outside Europe," to which the WASHINGTON POST responded with the following comment: "Western Europe is being urged to consider more coordinated, even if unofficial, efforts to extend NATO's military, diplomatic and economic positions to strategically important regions outside Europe in order to protect important minerals and oil and take some kind of steps to end the instability in the Third World" (meaning the developing countries--Editor).

Therefore, the question of globalizing NATO's role and assigning the functions of a world policeman to this bloc is once again on the agenda. Perhaps the entire 30-plus years of its history have been marked by such "initiatives." In 1950 the United States wanted to see Western European soldiers in Korea, and in the second half of the 1960's it wanted them in Vietnam. In the 1950's and 1960's the Western European countries were not against extending the boundaries of NATO's activity. France, for example, was trying to keep Algeria with the aid of the allies, and Salazar's Portugal saw NATO as the only way of keeping its African colonies.

Disagreements between the allies have impeded this process and have kept NATO from "spreading its wings" over neighboring regions. In particular, the Western Europeans objected to involvement in the wars in Korea and Vietnam in the fear that this would attach their countries even more closely to U.S. foreign and military policy and would also complicate the situation in Europe. In turn, Washington did not want to lose its prestige and influence in the developing countries for the sake of the interests of the colonial powers. During various stages, the United States and the Western Europeans exchanged roles, alternately proposing plans for the globalization of NATO functions. In 1958 French President C. de Gaulle proposed the creation of a triumvirate within NATO, made up of the United States, England and France, to solve global problems. This idea was rejected by the Americans and the English as an absurd notion.

Within 7 or 8 years, however, Washington regretted this action: The United States was in Indochina without Western European support.

The question was raised once again, and more vehemently, during the war in the Middle East in October 1973. This regional conflict outside Europe gave rise to sharp conflicts within NATO. On the one hand, the Western European countries not only refused to support U.S. efforts to help Israel, but even closed their air fields that had been designated for this purpose. Only Portugal, which was then still being governed by a military fascist dictatorship, allowed the use of its base in the Azores. On the other hand, the United States mobilized American armed forces on 26 October 1973, including forces under the jurisdiction of the NATO command, without informing its Western European allies of this action. As a result, the American leadership had to appeal for Atlantic solidarity, and the Western European allies had to cite the text of the North Atlantic Treaty, where it was set down in black and white that the military alliance's sphere of activity extended only to Europe.

The revitalization of the plans to expand NATO's sphere of activity dates back to the end of the 1970's. It was brought about by the increasing strength of OAPEC [Organization of Arab Petroleum Exporting Countries], the significant rise in oil prices, the revolution in Iran, the Afghan revolution and the instability of the feudal regimes in the Middle East. In June 1978 the implementation of these plans was tested, as it were, when American troops took part in transporting French and Belgian parachutists to Zaire (to suppress the rebellion that had started there in Shaba Province). The idea of creating unified shock forces to "protect oil routes" from the Persian Gulf was discussed at NATO forums--from the highest (sessions of the NATO Council) to meetings of the bloc's working organs. At first these ideas were slow to mature. It was difficult to convince everyone that the deployment of Western military contingents would not evoke negative reactions in the Persian Gulf states and would not give rise to legitimate concern in the Soviet Union, whose boundaries are closer to this region than Western Europe's, not to mention America's. (Nevertheless, people in Washington constantly confuse the Persian Gulf with the Gulf of Mexico, extending the zone of U.S. "vital interests" to a part of the world that is located thousands of kilometers away.) After several unsuccessful attempts, the Carter Administration apparently lost all hope of joint NATO action and began to form unilateral, American "rapid deployment forces."

When the Republican Administration arrived in the White House, these ideas were resurrected. The present engineers of American foreign policy have again raised the question of creating "multilateral" armed forces for action outside Europe.

The recent statements by American General B. Rogers, supreme allied commander of NATO's forces in Europe, sounded suspicious. He expressed the willingness to command the "rapid deployment forces" the United States plans to use outside the NATO zone. "American armed forces in Europe are not only responsible for the zone of the united NATO armed forces in Europe, which extends from northern Norway to east Turkey. As the commander of the American armed forces, I am also responsible for any crisis that might arise in all of the North African countries, all the way to the Middle East and to the eastern boundary of Iran, where it borders on Afghanistan and Pakistan," he said.

The efforts of those who want to expand the sphere of NATO "responsibilities" were quite apparent at a series of meetings of NATO organs, including the latest session of the NATO Council, in April and May 1981. According to political analysts, the U.S. position unequivocally attested that the new American Administration is striving for military superiority to the USSR and is trying to gain unconditional support in this area from its allies by subjecting them to mass pressure. One aspect of this pressure is the move to take the Middle East "under NATO's wing." The commander of the U.S. armed forces in the Atlantic zone, Admiral G. Train, has vehemently asserted that NATO's flanks are "unprotected" and must be covered. "The Department of Defense has agreed to build up military efforts in NATO's traditional zones of activity and outside these zones," the FINANCIAL TIMES reported on 14 May.

Washington's plans received direct support from England when its prime minister visited the United States this February. Prime Minister Thatcher announced that London was prepared to take part in "an international united fleet in the Persian Gulf and send its troops there as part of the American reserve forces." Furthermore, the English Government conducted talks in London with the authorities of Mauritius, located in the Indian Ocean, to gain English ships a legal right of entry to island ports, enlarged the English fleet in the Indian Ocean and displayed a desire to coordinate its actions with the American navy at the time of the joint American-English naval maneuvers in the Indian Ocean in fall 1980.

At the end of February 1981, a group of high-level English military experts proposed the creation of a new forum for the "Atlantic community" to look into problems outside the geographic boundaries of Europe. A report by a task force of the English Atlantic Committee, headed by Marshall of Aviation N. Cameron, former English defense chief of staff, suggests that the United States, England, France and the FRG could make up the initial nucleus of this group.

England was not the only country pressured by the American side after it has raised the question of expanding NATO's sphere of action. Washington is now well aware that England has lost much of its weight and influence, that it no longer dictates the course of Western European development and that London is no longer the most influential capital in Western Europe. Attempts are now being made to pose the question of joint forces, which would expand NATO's sphere of action, in the key

capitals of Paris and Bonn. The French press expressed the opinion that this matter was discussed at the time of French Foreign Minister J. Francois-Poncet's visit to the United States, although there was no official confirmation of this fact. "The silence of the Elysees Palace and its ministers," L'HUMANITE remarked, "is understandable. This is a question of including French ships among forces commanded by the Americans."

As for the FRG, it obviously does not find the American and English plans appealing. At the end of February 1981, DIE WELT remarked: "America's partners in Europe will have to respond to these demands (to extend NATO's zone of activity--S. U.) if they do not want to shake the very foundations of NATO. But this is a great danger.... The Germans do not want to agree to the American demands."

It is true that some experts, citing past experience, are skeptical about NATO's ability to take on the functions of preserving the status quo in the Persian Gulf or in the Middle East in general. For example, a report by the American Council on Foreign Relations and experts on foreign policy from England, West Germany and France, published in New York in the beginning of 1981, states that it would be more effective to organize a group made up of the United States, the FRG, France and England, with Japanese participation, to look into security problems in the Persian Gulf zone and in the developing countries in general. Other NATO members willing to make a significant contribution could take part in this work if the matter in question concerns them directly.

Persons with a more realistic outlook in the United States are not inclined to be taken in by the allies' willingness to extend the zone of action 2,000-3,000 kilometers to the southeast. They are pointing out the fact that the NATO mechanism has never worked in dealing with problems outside Europe. There has been virtually no coordination of foreign policy by the United States and the EEC, and the fragile agreement on consultations, concluded at the initiative of H. Kissinger in 1973-1974, has been seriously undermined. "The Europeans," the NEW YORK TIMES remarked on 1 March 1981, "are not eager to consult with the Americans until they reach an agreement among themselves, after which they are no longer inclined to change their position. They are the ones who are complaining, however, that various agencies in Washington make their decisions in a similar manner."

The ineffectiveness of the consultation mechanism within the Western bloc is self-evident. Washington makes important decisions without considering the views, or even the interests, of its Western European allies. For example, the Carter Administration informed the allies of some of its actions, but such important steps, as, for example, the declaration of the "Carter Doctrine" and presidential directive 59, were taken by Washington without any consideration for their views.

How is the idea of extending NATO's sphere of action being received by the countries, especially in the Persian Gulf zone, which are supposed to be covered by the new "NATO umbrella"? The facts testify that even pro-Western regimes are not delighted with this prospect. Furthermore, they are not even certain that their inclusion in NATO's sphere of self-proclaimed "responsibilities" will be in their interest. As TIME magazine pointed out, "most of the countries in this region do not want American military bases within their territory.... The Persian Gulf countries are afraid that the United States might try to seize their oilfields in

the event of a local crisis, an oil boycott or a significant rise in the price of oil. This possibility is particularly frightening to Kuwait, Qatar and the United Arab Emirates."

Therefore, the plan calls for the extension of NATO's sphere to a region where the people view NATO ships and parachutists as aggressors, and not as protectors. It is hardly likely that the plans to broaden NATO's zone of action, plans which were made without any consideration for the hostile attitude of the "objects of guardianship" and at a time of discord within the NATO camp, will be realized.

The danger of expanding the NATO zone is sensed by more than just the countries of this region. At a special international conference of solidarity with the anti-imperialist struggle of the people in the Persian Gulf zone, held in Nicosia, the capital of the Republic of Cyprus, in fall 1980, delegations from 58 countries and several international organizations condemned the aggressive aims of NATO's "expanders."

The main forces of present-day imperialism are striving to enlarge the zone of action of their chief military alliance. These plans pose a threat to international peace. They are aimed at the use of the gigantic destructive forces located in Europe to bring about processes with unpredictable consequences in the developing countries, which are now living through a period of social change. They presuppose the depiction of the NATO military bloc as a protector and guarantor of the social status quo in those parts of the world where the thirst for change is obvious and irresistible. This means that these plans could give rise to international conflicts, create new seats of tension and destabilize the situation.

The peaceful initiatives of the Soviet Union, which put forth a program at the 26th CPSU Congress for continued struggle for the preservation of peace, the reinforcement of detente and the cessation of the arms race, including the safeguarding of peace in the Persian Gulf zone and the approaches to this zone, are winning increasing recognition in Western Europe, the Arab countries and the states of the Middle East and Asia. "Instead of drawing more and more new naval and air fleets, troops and weapons into this region, we propose to remove the threat of war by concluding an international agreement," L. I. Brezhnev said. "Through concerted effort, with consideration for the legal interests of all sides, we could create an atmosphere of stability and calm in this region. We could guarantee the sovereign rights of the region's states and the safety of sea lanes and other communications connecting it with the rest of the world.... We would like to express the hope that the governments of the United States and the other NATO countries calmly and objectively consider the entire matter so that we could join forces to seek a solution acceptable to all."

8588

CSO: 1803/11

TERRORISM AND THE MASS MEDIA

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 48-55

[Article by I. Ye. Malashenko]

[Text] In recent years terrorist action has been widespread in the West, especially in the United States. This fact was reaffirmed by the attempt made on President Reagan's life.¹ This phenomenon is the subject of numerous studies, books, articles in scientific publications and mass press organs, debates in the academic community and public discussions. American political scientists have even begun to talk about the birth of a "subculture of terrorism," which has become an integral feature of "Western civilization."

Furthermore, many have noted that the present scales of this phenomenon are connected, in particular, with the role played in the spread of violence by the mass media, television and the press.

The attempted assassination of President R. Reagan was understandably a central topic in the U.S. mass media. The actual report of the crime was overshadowed by attempts to derive the maximum from this sensational piece of news. A colossal amount of space was devoted to minor details, secondary facets of the criminal's biography, his relationship with a certain actress and so on and so forth. In general, the crime was immersed in an atmosphere of sensation.

American television has always attempted to derive the maximum from scenes of violence and bloodshed. The press tries its best but it obviously cannot keep up with television, which rivets the attention of a huge audience to such incidents by exploiting its ability to make each viewer an eye-witness of events during the course of direct coverage.

Furthermore, terrorists sometimes display considerably ingenuity in winning some kind of recognition from the bourgeois mass media. A terrorist act must be original and extraordinary to be portrayed as news or, even better, as a sensational news story (better for the terrorists and for the mass media).

1. See also: S. L. Zivs, "'International Terrorism'--Subversive U.S. Propaganda" and S. S. Kuz'michev, "Rightwing Terrorism in the United States," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 6, 1981.

"Public perception of the level of terrorism in the world apparently depends less on the level of violence than on the quality of incidents," said RAND Corporation research associate B. Jenkins. From the standpoint of publicity, for example, episodes involving hostages are of higher "quality" than mere assassinations, shoot-outs with barricaded terrorists or kidnappings. Terrorism is turning more and more into "theater," and just like any other entertainment it has to be varied or it becomes boring. Terrorism is a never-ending source of this kind of entertainment. The climax of the kidnapping of Patricia Hearst, the daughter of the newspaper king, whose story provided millions of Americans with months of entertainment, was a shoot-out between the police and the members of a terrorist group who had barricaded themselves in a home on the outskirts of Los Angeles. The coverage of this event was reminiscent of classic scenes from Western movies.

The terrorists' careful staging of their theatrical "shows" allows them to manipulate the mass media. This fact has often been pointed out with alarm by American political scientists and even by the newsmen themselves. It is true that the mass media have long been a weapon in the hands of terrorists, and a weapon just as dangerous as a gun. The truly inexhaustible potential of the American press, radio and television in this respect was demonstrated by the selfsame "Symbionese Liberation Army," the extremely small terrorist group that had kidnapped Patricia Hearst. The "army" (which had no more than a dozen members) put at least half of California in a panic, even though its crimes were hardly noteworthy in themselves, by American standards. The press and television literally created a legend about this terrorist group, portraying it as a fierce and elusive organization and its members as something just short of romantic robbers and contemporary Robin Hoods. In a sense, there were two terrorist gangs: the real one and the one created by the mass media. In this case, the discrepancy between the terrorist action and its compounded--through the efforts of the press, radio and TV--impact was particularly evident.

In this way, terrorists attain one of their immediate goals, as the coverage of terrorist actions by the mass media is not in any sense a side-effect. As G. Bell remarked, terrorists have two victims "and one of them is the audience." The invention of television considerably simplified the task of creating an atmosphere of mass fear through the effect of personal involvement, aroused in the television viewer who watches the latest terrorist drama. Furthermore, in addition to filling some people with horror, television actually incites others to crime, particularly people who are mentally unbalanced. According to the calculations of C. Weiss, the typical report of a terrorist incident reaches an audience of approximately 40 million people in the United States. On the assumption that at least 0.00001 percent of the audience consists of people who are mentally ill or unbalanced (of course, this is an extremely conservative estimate), who could be moved by this broadcast to commit similar actions, there will certainly be at least four candidates for the next terrorist "show." "Almost every event that is publicized on this scale has tremendous potential for the stimulation of possible terrorist activity," Weiss concludes.

These broadcasts are particularly dangerous to the undeveloped juvenile mind. Studies have shown that children are inclined to imitate aggressive behavior, and they frequently see examples of it on the screen. According to psychologists, the mass media are also responsible for the increase in terrorism because the endless scenes of violence on television "distort the natural inclinations of children,

their willingness to accept new ideas and experiences, their curiosity and their spontaneous and unbiased interest in other people and channel their development in the direction of cynicism, greed, hostility, brutality and insensitivity."

All of these extremely negative consequences of the disproportionately large measure of attention devoted to terrorism by the American mass media are certainly a matter of common knowledge in the United States. Nevertheless, one terrorist act after another becomes the event of the season. It is not difficult to find the reason for this: Competition between press organs, regardless of the good intentions of journalists, commentators and editors, demands unconditional attention to the sensational material offered by terrorism. The CIA once calculated the varying degrees of probability that terrorists could successfully take hostages, escape capture, etc. In one respect, however, the terrorists can be certain of success: They have a "100-percent probability of gaining major publicity, whether or not this is one of the terrorists' goals," R. Kupperman and D. Trent conclude from the CIA figures in their book "Terrorism: Threat, Reality, Response."

The defenders of the comprehensive coverage of terrorism by the mass media maintain that hushing up terrorist acts would have the opposite effect, leading to the sharp escalation of fear and violence to a point at which it will be impossible to ignore them. Obviously, this statement is partially true, because panicky rumors sometimes evoke much more alarm than the actual scales of the crime would warrant. But it is only partially true, because there is a difference between the objective coverage of terrorist actions and their actual advertisement and the morbid exaggeration of the importance of such incidents by the mass media. As expert F. Hacker stated in congressional hearings, if terrorism were not publicized in the mass media, it would be possible to "cut out 75 percent of the national and international terrorism."

Furthermore, many terrorists in the United States are motivated solely by the desire to gain notoriety. For example, after the attempt on G. Wallace's life in 1972, the would-be assassin could not even explain his motives. He must have known, however, that "he would mentioned in any case by Walter Cronkite on the news and would finally become a person who could not be ignored," wrote B. Bell and T. Garr, the authors of an article in the anthology "Violence in America." In 1975 the American press and television described two failed attempts on President G. Ford's life with such enthusiasm and in such detail that their coverage eventually evoked the fear that this might stimulate new potential assassins. Administration spokesmen then made statements calling for an end to this unhealthy stir.

Many terrorist actions are committed solely for the purpose of bringing the slogans of an organization to the attention of the general public. On 10 September 1976 five Croatian terrorists hijacked a Boeing 727 with passengers on board. The terrorists' demands were connected exclusively with the spread of their propaganda. Major American newspapers published the terrorists' "manifesto." Although newspaper editors and publishers hesitated at first to take orders from the criminals, the moral question was soon ignored: The hijacking of the plane became the main news story and pushed everything else into the background. The attention of millions of people was riveted to the terrorists and their "manifesto." The comments made about the hijacking in newspapers and on television were not all that important: The criminals simply wanted to advertise their "cause" and they received as much advertising as they could possibly want.

Four weeks later some Cuban counterrevolutionaries planted a bomb in a Cuban plane, and 73 people were killed. Almost no one in the United States remembers this crime. It had no elements of drama; the plane was "simply" blown up. Besides, this was a plane belonging to socialist Cuba, and the CIA was obviously involved in the incident. This was not the kind of crime that is investigated in minute detail by the U.S. press and television.

Terrorists know exactly which acts will attract the attention of the mass media and guarantee them the necessary amount of publicity. This has led to carefully staged and directed large-scale terrorist performances and to a new phenomenon which is sometimes called "symbolic acts" of violence. For example, a bomb set off in a bank or office at night does not usually endanger human lives. It does, however, attract attention and inspire fear. If the mass media did not cover such events, they would be almost meaningless. With the aid of the mass media, these incidents become "a declaration of existence, solidarity or opposition, but since this is also a sign that the criminals are prepared to resort to violence and a warning of future violence, they evoke fear," confirms B. Jenkins. Here again, the mass media aid in the attainment of one of terrorism's goals.

In the United States it has been justifiably pointed out that terrorist organizations manipulate the mass media. It has often been said that the mass media represent another of the terrorists' "hostages." It is also true, however, that the media themselves have created favorable conditions for their "exploitation" by terrorists. Apparently, many Americans would agree with a statement by a police officer who once expressed his indignation to journalists: "The mass media are naturally inclined to take the side of the terrorists because terrorists make news and provide them with drama." This opinion was corroborated by Director W. Alexander of the Institute for Studies in International Terrorism: "By giving such incidents broad coverage," he said, "the mass media convey the impression that they sympathize with terrorism; in this way they create a climate favoring a further increase in violence."

Finally, here is one more admission of this fact: According to HARPERS magazine, "the symbiosis between the needs of the terrorists and the requirements of the mass media has obviously influenced the spread and escalation of violence: The publicity that always accompanies acts of extreme violence actually serves to encourage terrorism."

It is not only the atmosphere of violence that is reproduced. The American mass media also help in the spread of technical means of terrorism. Special publications and the mass press love to make references to various "guides" to terrorism, not to mention the popularization of the practice of terrorism by the mass media. A successful terrorist action is soon copied down to the last detail, sometimes in another part of the world, largely with the aid of television.

There is also another side to the mass media's "technical" support of terrorism. Radio and television in the United States represent the eyes and ears of terrorists and a source of valuable information about police activity. It does not even matter whether malicious intent is present or absent. It is simply that when terrorists who have barricaded themselves in a building hear radio reports of all of the details of operations being planned by the police against the terrorists, this could hardly contribute to the success of the police.

In March 1977 some Hanafi Muslims occupied three buildings in a central Washington neighborhood. More than 100 people were taken hostage. This event completely absorbed the attention of the major American newspapers and television and radio stations. Even commercial advertising had to make way for on-the-spot TV coverage of the incident. Newspaper headlines printed in huge letters repeated the threat of the group's leader: "Heads will roll." The terrorists constantly gave out interviews over the telephone. As Washington journalist C. Seib noted, the mass media were as much involved in the event "as the terrorists, the victims and the authorities." And this is no exaggeration. The WASHINGTON POST remarked at that time that the Hanafi Muslims were "terrorizing the entire capital." "In essence, this was true," the same Seib remarked, "but this was all due to the mass media." How can a few people, shut up in buildings surrounded by police, terrorize an entire city? Only with the aid of the mass media, especially television.

The mass media displayed amazing irresponsibility during the Hanafi incident. For example, 15 people who had escaped being taken hostage were hiding on the fifth floor of one of the buildings taken over by the terrorists. The television cameras, hungry for every detail, showed food being delivered to these people in a basket lifted up by rope. Naturally, the terrorists immediately decided to increase the number of their hostages and it was only a fortunate set of circumstances that kept them from breaking down the door. Reporters constantly phoned the buildings to interview the terrorists (incidentally, the head of the group did not want to waste his time and refused to talk to anyone from a radio station of less than 50 kilowatts). One interviewer asked the provocative question of whether the terrorists had set a deadline for the fulfillment of their demands (this deadline had not been set, and experts on negotiation with terrorists had regarded this as an encouraging sign). Fortunately, the leader of the terrorists was so engrossed in his own rhetoric that he did not pay any attention to the question. Finally, one of the journalists mistakenly called the Hanafi leader a "Black Muslim,"² which almost cost the life of one of the hostages.

It is not surprising that the hostages taken by the Hanafis were hostile to the mass media and felt that the newsmen had acted in concert with the terrorists. This hostility seems quite understandable: The mass media have often endangered the lives of hostages and have even caused their death. For example, when a West German plane was hijacked in 1977, the captain was killed because the terrorists heard over the radio that the pilot was passing "classified" information to someone on the ground. The victims of terrorists cannot agree with the statement that the mass media are also "hostages." They are more likely to regard them as the terrorists' allies.

The debate over the question of the mass media and terrorism became particularly heated in the United States after the Hanafi incident. The unseemly role played by the press, radio and television in the escalation of hysteria over this incident was so obvious that prominent political figure A. Young advocated the legislative restriction of mass media coverage of "violent crimes." Young correctly noted that the sensational atmosphere created by this kind of coverage could motivate new "suicidal and ridiculous" acts. The NEW YORK TIMES, however, categorically opposed this idea, concluding its angry diatribe on an emotional note: "Ambassador Young has misjudged the actual strength of the free press in America. The mass media did not acquire their power from the constitution. Only the public could give them this power, and the limitation of this power can only injure the public. The power

2. For more about the "Black Muslims" and the real causes of this incident, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 3, 1981, pp 47-58.

of the press stems from its ability to inspire trust." In essence, the newspaper could only argue that hushing up terrorism would promote the spread of panicky rumors. But the critics of the U.S. mass media are not saying that terrorist acts should not be reported. "Actually, the question," C. Seib said, "is precisely how this should be done, and where the line should be drawn between the suitable coverage of an event and its exploitation."

Can this line be drawn, and if so, according to what principle?

This question has been discussed at a number of special conferences. No satisfactory answer has been found as yet. One such conference was held in New York in November 1977 (conference papers were published in the magazine TERRORISM: INTERNATIONAL JOURNAL, Nos 1-2, 1979), at a time when the events connected with the Hanafi takeover of the Washington buildings were still fresh in everyone's memory. Most of the speakers advised voluntary "self-restraint" and "self-control" for the mass media and the elaboration of a code of ethics for journalists involved in such situations. Many sensible statements were made about the responsibility of the journalist. The main idea of the conference was expressed by one speaker: "We have no way of restricting the mass media but we do have every right to expect 'responsible reporting' from them."

These good intentions, however, were not fated to materialize. In addition to the difficulty of converting such good wishes into actual behavior, it turned out that some representatives of the mass media were displeased even with this solution to the problem and declared that "self-control" standards would inhibit the press as much as government-imposed restrictions. The airplane security expert who announced at the conference that "there is no hope of reconciling the interests of the press, which tries to derive the maximum from terrorist incidents, with the need to prevent the escalation of terrorism" was evidently right.

Responding to the apologists for the absolutely unrestricted coverage of episodes of terrorism, some speakers at the New York conference said that "the public's right to know," the right to information, should be limited by another right--each individual's right to life and security, which is sometimes endangered by the actions of the mass media. The same apologists maintain, however, that the American public wants to see scenes of violence and bloodshed, "undiluted" and in their entirety. Why should the mass media take the blame? After all, they are simply complying with consumer requests. A drug dealer caters to the needs of his clients too, but the law calls his behavior criminal.

This presents a contradictory picture: The mass media are, on the one hand, "hostages" and, on the other, accomplices of the terrorists. The mass media, just as the bourgeois society as a whole, are simultaneously the victims of terrorism and the mechanism promoting its reproduction.

Many representatives of the mass media, judging by reports of debates in the United States, sincerely want to stop being manipulated by terrorists. As yet, however, the media represent an industry based on competition and profit and, as their critics maintain, they unavoidably represent an integral part of any terrorist act. No palliatives can correct this situation.

This problem also has another side. With the aid of the press, and then of radio of television, terrorism in the United States always serves the ruling elite as a convenient political weapon. American history contains many examples of this.

In the 1870's a terrorist organization called the Molly Maguires sprang up in northeastern Pennsylvania and committed several murders. The Pennsylvania coal barons accused the miners' union, which had actually condemned the terrorists, of participating in these crimes. The antilabor press assumed the responsibility of coloring public opinion and spread insinuations throughout the country. The union was driven away and the coal barons won. In the same way the bourgeois press actually helped the Ku Klux Klan terrorize the black population by creating an aura of mystery and mystical horror around this organization. The list of these examples could go on for a long time. The interests of the dominant class are objectively being served today by ultra-leftist terrorist groups like the "Symbionese Liberation Army," which are playing into the hands of the reactionary advocates of stronger "law and order." Just as in the past, an important role in all of this is being played by the American mass media, which deliberately exaggerate the threat posed by these organizations.

The coverage of terrorist incidents by the American mass media has a characteristic feature: Whereas rightist terrorism is portrayed as a supposedly uncharacteristic phenomenon, almost unworthy of serious attention (although there is an old and quite distinct tradition of rightist political terrorism in the United States), the activities of small ultra-leftist groups are obviously exaggerated and the coverage is quite simply panicky in tone. The reason is self-evident: The mass media are suggesting to the Americans that terrorist activity is inspired by leftists to destroy the "free society."

This has all been taken into account by the present administration in Washington, which has resolved to use the bogeyman of "international terrorism" for the ideological sabotage of the national liberation movement and the socialist countries.

8588
CSO: 1803/11

UNITED STATES GOVERNMENT AIR TRANSPORT POLICY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 56-65

[Article by V. G. Afanas'yev]

[Not translated by JPRS]

UNITED STATES GENERAL AVIATION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 66-74

[Article by A. V. Buzuyev and A. V. Matveyev]

[Not translated by JPRS]

CSO: 1803/11

SENSIBLE AMERICANS FOR DETENTE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 75-79

[Article by V. F. Polyakov and N. S. Seregin]

[Text] The comprehensive and constructive program of peace for the 1980's, proposed at the 26th CPSU Congress, aroused the greatest interest throughout the world. Many prominent Western politicians and statesmen have commended the sound and realistic proposals set forth in the report by General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev. They include President U. K. Kekkonen of Finland, Federal Chancellor B. Kreisky of Austria, Prime Minister G. H. Brundtland of Norway, Foreign Minister K. Olesen of Denmark and many others.

When Canadian Prime Minister P. Trudeau was in the United States, he said: "No one will benefit from a return to cold war, and it is not in the U.S. interest to liquidate the potential for detente which existed in the mid-1970's and which was regarded with legitimate interest by the Soviet leadership."

The peaceful Soviet initiatives were of great interest to the American people, and they are still perceptibly interested in them. Although rightist forces and reactionary, militaristic circles made a truly unprecedented attempt to distort the actual import of the humane Soviet proposals and belittle their significance, many Americans with a realistic outlook saw these fundamental proposals as a real opportunity for the planning of concerted efforts to prevent a global thermonuclear conflict, which could endanger the very bases of civilization on earth.

In particular, Professor F. Neal, vice president of the Committee on East-West Accord and renowned American public spokesman, said: "The initiatives put forth at the 26th CPSU Congress for the purpose of normalizing Soviet-American relations and improving the international climate in general are particularly significant at the present time. The Soviet leader proposed a broad and constructive program of action to prevent the danger of war and, after all, there is no more important task facing peoples and states than this one. We can only hope that the American administration will have a positive response to the reasonable and highly timely Soviet initiatives. This is in the interest of not only the American and Soviet people, but of all mankind." President H. Scoville of the American Arms Control Association stressed: "L. I. Brezhnev's initiatives could serve as an excellent basis for the continuation of international detente."

"The proposals made at the 26th congress of the Soviet communists are of colossal significance for the fate of mankind," remarked M. Myerson, one of the leaders of the U.S. Peace Council. "They will help to relax international tension and resolve dangerous conflicts peacefully, through negotiation."

"L. I. Brezhnev's warning about the danger of nuclear war was quite timely," stated Executive Director A. Thompson of the U.S.-USSR Friendship Society. "The Soviet proposals, including the one about American-Soviet dialogue at all levels, point to a way out of this situation. Our people could work together peacefully, and this would be all to the good."

The beginning of the 1980's was marked by a significant upsurge in the activities of U.S. militaristic forces and the many political groups representing the military-industrial complex in this country. Carrying out the wishes of these circles, the U.S. leaders unilaterally broke off talks with the Soviet Union on a number of important problems in international relations, including questions of nuclear disarmament, and proceeded to escalate international tension.

Sensible American researchers and experts have warned that this course of action could have truly tragic after-effects.

"The most complex and most important task facing the American people...is connected with our relations with the Soviet Union," underscored W. Fulbright, prominent U.S. politician and author of profound studies of international relations and the role of the United States in today's world. "An unbridled arms race," he wrote, "cannot benefit either side. It will take broader contacts and mutual understanding between the two countries to stop this insane race."¹

In response to the appeals of "hawks" for the use of force in the settlement of disagreements in Soviet-U.S. relations, renowned American diplomat and historian and former ambassador to Moscow G. Kennan stressed: "There has never been any reason to believe that a grand-scale military conflict between the two great powers is the only way of solving the problem of Soviet-American rivalry. Even today there is still no reason to believe that this problem could be solved satisfactorily by means of this kind of conflict."² Professor S. Drell, renowned historian and expert on international affairs, remarked in turn: "In the nuclear age there is no acceptable alternative to the policy of detente and arms control."³

Persistent appeals for the resumption of Soviet-American contacts without delay and, in particular, summit-level meetings have recently been voiced by a group of American public spokesmen and politicians. They include L. Pauling, prominent American scientist and holder of the Nobel Prize and the International Lenin Prize "for the Consolidation of Peace Among Peoples"; A. Harriman, famous diplomat and businessman; Stanford University Professor V. Panofsky; Professor B. Feld, editor-in-chief of the BULLETIN OF ATOMIC SCIENTISTS; Professor G. Kistiakowsky, former member of the President's Council of Scientific Advisers; Professor G. Kendall, president of the Union of Concerned Scientists; Doctor H. Kornfeld, one of the leaders of Physicians for Social Responsibility; Columbia University Professor R. Legvold, member of the Council on Foreign Relations; Retired Rear Admiral G. La Rocque, director of the Washington Center for Defense Information; Doctor A. Hammer, renowned American businessman and public spokesman; U.S. Congressmen

S. Solarz and J. Conyers; Bridgeport University Professor H. Parsons; former Attorney General R. Clark; famous clergymen J. Jackson, W. Coffin, D. Berrigan and P. Berrigan; New York University Professor J. Somerville; Harvard University Professor G. Sharp and many, many others.

The underlying theme of their statements is that a Soviet-American military confrontation must be avoided at all costs. "The quickest possible ratification of the SALT II Treaty," A. Harriman recently declared, "is absolutely essential to our national security."⁴ Former U.S. Ambassador to the USSR T. Watson stressed in turn: "It would be extremely unwise for the United States to join the arms race. Of course, there must be parity of strength in conventional weapons and nuclear arms. But it is senseless to produce new missiles for the sake of superiority. We know that the Soviets can match everything we develop.... The possibility of winning a thermonuclear war does not exist."⁵ The same opinion, regarding the futility of plans to attain military superiority and "exhaust" the USSR in an arms race, has been expressed by Kaiser, the former WASHINGTON POST correspondent in the USSR, who is famous for his reactionary views and rigid anti-Soviet stance.⁶

George Kennan wrote an article in which he stressed that the continuation of the arms race would undermine, and not strengthen, the security of both sides. In his opinion, the tension in the relations between the two great powers has reached an unprecedented level in recent years. This situation can only be corrected, he writes, through the reduction of the enormous weapon arsenals and a mutual search for solutions to many highly explosive global problems.⁷

Renowned journalist A. Cox, political adviser to the Committee on East-West Accord, also wrote an article on this topic, in which he stated: "Today...the strategic forces of the two countries are fundamentally equivalent. For this reason, it would now be possible to accomplish a significant reduction (in arms--authors). But this possibility will not exist after the next nuclear weapon round in the race."

Some American experts have noted with alarm that the attempt to develop more and more new types of weapons (the Pentagon has been doing this constantly throughout the entire postwar period) could have the most serious consequences. "The greatest danger," stressed prominent American political scientist R. Barnet, "is not posed by existing types of weapons, although there are more than enough of them to destroy both countries, but the weapons which could be created in the future."⁸

Recently deceased renowned politician C. Yost advised U.S.-Soviet talks for the purpose of imposing substantial limitations on strategic and conventional weapons. "Technical progress," he wrote, "is already threatening us with weapons that will be even more lethal and costly than the ones we already have."⁹

A report by 26 experts from the Carnegie Foundation, entitled "American National Security Objectives," was published in the United States at the beginning of 1981. The report contains the specific conclusion that new weapons could put the USSR and United States "in a position from which there would be no return." The compilers of this report spoke of the urgent need to continue Soviet-American talks on strategic arms limitation.¹⁰

American experts and specialists who are alarmed by the current state of international affairs have pointed out the fact that the development of Soviet-U.S. contacts in the economic as well as the military and political spheres is natural and necessary. Conversely, the opposite is unnatural and dangerous.

Former State Department counsel S. Pisar wrote: "Pressing global problems...cannot be solved without active cooperation between East and West."¹¹ He went on to say that "broader mutually beneficial economic contacts could serve as a powerful stimulus of general accord.... The mutual interest in survival and prosperity demands the further development of this process."¹²

Pepsico Chairman D. Kendall refutes the arguments of the opponents of detente who assert that U.S. trade with the Soviet Union is a "one-way street." He wrote: "I am firmly convinced that increased U.S.-Soviet trade would threaten neither the American economic system nor American defense. On the contrary, it would promote stronger peace throughout the world and would also be of commercial benefit."¹³

American experts who take an objective stance have noted that the Washington administration's measures to limit shipments of technical equipment to the USSR will not produce the desired results. Professor M. Ablowitz, renowned American mathematician, had the following to say about this: "The United States does not have a monopoly on scientific progress. Science in the USSR has long traditions and it has always had an extensive and profound effect on American science."¹⁴ Furthermore, as BUSINESS WEEK noted, "the majority of export goods covered by U.S. restrictions can be acquired elsewhere."¹⁵

American researchers have criticized Washington's embargo on the shipment of American grain to the Soviet Union. Even R. Tucker, advocate of strong-arm diplomacy and political science professor at Johns Hopkins University, remarked that, "in view of the fact that economic measures have never influenced Soviet policy, there is little reason to believe that they will have any effect this time."¹⁶ Senator C. Percy, chairman of the Senate Committee on Foreign Relations, admitted in a speech at the end of last year that the embargo on grain shipments to the USSR "backfired painfully."¹⁷ Congressman L. AuCoin stressed in the U.S. Congress that discriminatory measures in trade with the USSR would inflict serious financial and moral injuries on the United States. The immediate cancellation of the embargo on American grain exports to the USSR was advised by Senator R. Dole, President C. Yutter of the Chicago Stock Exchange, Secretary of Agriculture J. Block and many others. There were numerous hearings on this matter in the American Congress throughout 1981, and they reflected the determination of the congressmen to achieve the cancellation of the embargo. Congressman C. Grassley commented: "History has shown us that attempts to use economic sanctions as a weapon of political warfare always fail."

According to the calculations of some foreign experts, American firms lost around 5 billion dollars as a result of Washington's unilateral severance of economic and trade ties with the USSR. "Therefore, the government's action had a boomerang effect, striking at the United States and, in particular, at the American farmer."¹⁸

At the end of April 1981 President Reagan lifted the embargo the previous administration had imposed on grain shipments to the USSR. It will take a great deal of

time and effort, however, as some American experts have emphasized, to restore the climate of trust and reach an agreement on delivery volumes on the same level or a higher one.

Many American politicians and public spokesmen have stated that the ideological struggle should not inhibit the establishment of closer Soviet-U.S. contacts and constructive interaction in the economic, political and cultural spheres and that it must not evolve into "psychological warfare."

In the opinion of sensible American politicians, businessmen and academics, the United States must first make an objective assessment of the current balance of power in the world and learn the principal lesson that anti-Sovietism cannot serve as a basis for a realistic course of action in international relations at a time when the pressing and urgent problems facing the countries of the world in the 1980's in connection with the need to eliminate the threat of nuclear war and to promote economic and social development require cooperation by all interested countries and the resumption of the U.S.-USSR and East-West dialogues.

Senator J. Sparkman wrote, for example: "Despite the historical and ideological rift separating the USSR from the United States, the two countries have obvious interests in common."¹⁹ In reference to the prospects for the development of Soviet-American relations, renowned American researcher L. Caldwell wrote: "The absolute scales of the Soviet economy and its constant progress are the factors on which American policy toward the Soviet Union in the 1980's should be based."²⁰

Well-known political scientist R. Steel noted in turn that Washington's line of confrontation with the USSR will constantly widen the gap between the United States and its allies because the latter want to continue the East-West dialogue, to weaken U.S. economic influence and to undermine the political prestige of the United States in the world. "Anti-Sovietism cannot serve as the basis for intelligent foreign policy. The Reagan Administration will have to either reopen channels of communication with the Russians or be prepared for the erosion of its alliances, its economic base and its voter support."

Sensible American politicians and public spokesmen have expressed the most serious worries about the considerable growth of the U.S. military budget and the dramatically increased activity of militaristic forces within the country.

"The danger of nuclear war, which was made even more tangible by the militaristic line of the new U.S. administration, cannot fail to alarm all mankind," University of Minnesota Professor E. Markit said. "It is precisely for this reason that the world public responded with approval and hope to the new peaceful Soviet initiatives put forth at the 26th CPSU Congress by L. I. Brezhnev."

This professor, just as many other American academics, commended the head of the Soviet State's proposal to create an authoritative international academic committee to prove that it is vitally necessary to prevent nuclear war. "The conclusions of academics and specialists," he stressed, "will be brought to the attention of the public and will be a valuable contribution to the preservation of peace and reinforcement of security."

Intelligent American politicians and researchers have stressed that the consolidation of international stability will first require the continuation and expansion of the East-West dialogue and the development and reinforcement of Soviet-American diplomatic, economic, trade and cultural ties.

"Political and economic contacts between the United States and the Soviet Union," remarked J. Campbell, member of the influential Council on Foreign Relations, "are so important for global stability and prosperity that these contacts must necessarily be the main topic in any discussion of the future development of the international community."

FOOTNOTES

1. "Detente or Debacle. Common Sense in U.S.-Soviet Relations," edited for the American Committee on East-West Accord and with an introduction by Fred Warner Neal, foreword by J. W. Fulbright, N.Y., 1979, p IX.
2. THE NEW YORK TIMES, 24 March 1980.
3. "Detente or Debacle," p 74.
4. Quoted in: DAILY WORLD, 31 January 1981.
5. U.S. NEWS AND WORLD REPORT, 19 January 1981, p 33.
6. "America and the World, 1980," FOREIGN AFFAIRS, Winter 1981, p 516.
7. THE ATLANTIC, January 1981, pp 25-28.
8. FOREIGN AFFAIRS, Spring 1979, p 786.
9. CHRISTIAN SCIENCE MONITOR, 19 April 1980.
10. THE WASHINGTON POST, 19 January 1981.
11. "Detente or Debacle," p 1.
12. Ibid., p 10.
13. Ibid., p 39.
14. THE NEW YORK TIMES, 24 August 1980.
15. BUSINESS WEEK, 21 January 1980, pp 78-88.
16. "America and the World, 1979," FOREIGN AFFAIRS, Winter 1980, p 460.
17. NEWSWEEK, 8 December 1980, p 60.

18. BUSINESS WEEK, 26 January 1981, pp 24-25; CHRISTIAN SCIENCE MONITOR, 17 August 1980.
19. "Perceptions: Relations Between the United States and the Soviet Union," U.S. Senate, Committee on Foreign Relations, Wash., 1979, p VI.
20. L. Caldwell and W. Diebold, "Soviet-American Relations in the 1980's," N.Y., 1981.

8588

CSO: 1803/11

AMERICAN DREAMS: LOST AND FOUND

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 80-92

[First installment of translation of "American Dreams: Lost and Found" by Studs Terkel, Pantheon Books, 1980; translation prefaced by article by V. P. Shestakov]

[Not translated by JPRS]

INFORMATION-METEOROLOGICAL SERVICE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 93-103

[Article by P. A. Nedotko and I. S. Onishchenko]

[Not translated by JPRS]

CSO: 1803/11

CHANGES IN MANAGEMENT STRUCTURES FOR INDUSTRY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 104-111

[Article by L. I. Yevenko]

[Text] For the American economy the 1970's were a time of serious difficulties and upheavals, which gave rise to new problems and sharp conflicts in economic development. Economic crises, continuous inflation, the constantly high rate of unemployment, the sharp decline in the growth rates of labor productivity and production efficiency, the rising cost of credit, the shortage of fuel, energy and raw materials and the serious breakdowns in the traditional machinery of state-monopolistic regulation--all of these and other phenomena in the economy seriously disrupted the customary patterns of business activity by industrial corporations and faced them with new demands, to which both production and management must adapt. At the beginning of the 1980's the influence of many factors which had complicated the conditions of management became even stronger. Changes in basic economic relations will require serious modifications of the organizational and administrative superstructure of monopolistic capital's functioning.

Most industrial monopolies in the United States radically changed their organizational structures, decision-making procedures, forms of administrative control and so forth in the 1970's. Many administrative innovations of the end of the previous decade became the norm in the 1970's, and new variations of these were developed--variations which had never been used in industry but will be increasingly important in the determination of the nature of industrial management in the 1980's.

The Reagan Administration's economic policy envisages serious changes in the correlation of government and monopoly functions in economic regulation. In connection with this, it is important to determine whether the corporations are prepared to adapt quickly to new conditions of competition and demand and to the changing situation in the labor and capital markets, and whether they possess the internal administrative potential required for the fundamental reorganization of their production base.

This will require a preliminary analysis of the new tendencies in the management of large industrial corporations.

Divisional Structures and the Tendency Toward Decentralization

The clearest tendency in the organization of large industrial corporations in the 1960's and 1970's was the mass-scale transfer to structures with more or less autonomous divisions--that is, to divisional organization. The more traditional

functional principle of the administrative structure, described by one prominent expert on capitalist management, A. Faiola, as the "ideal form of administration," consisted in the assignment of the main corporatewide managerial powers to functional vice presidents¹ and the assignment of only a slight degree of independence in operational decision-making to plant administrations under the overall control of the corporate vice presidents in charge of production.

The formation of this kind of administrative system, specialized for large-scale functions, once represented the first significant stage in the organization of industrial firms. The second stage, which corporations entered as they grew, consisted in the formation of headquarters that were separate from the plant administration but which maintained the functional specialization of its internal subdivisions. The formation of divisions is the third stage in the development of industrial corporations. A number of monopolies (Dupont, General Motors, Standard Oil of New Jersey, Sears, Roebuck, Westinghouse Electric and others) had already entered this stage in the 1920's or 1930's, but its prevalence in American industry came during the postwar period, particularly during the 1960's and 1970's.

As a rule, the corporations created divisions that were completely responsible for the production of similar products (the divisional-product structure), for production and sales operations in a particular region (divisional-regional structure) and, less frequently, for serving a group of similar clients. At the beginning of the 1970's, the proportion accounted for by divisional structures in large corporations in the "500 club" rose to 85 percent, and by the end of the decade it had already reached 96 percent and the process of divisionalization was essentially completed. In the science of administration, this approach was named "centralized coordination with decentralized administration" or "decentralization with coordination and control."

Therefore, the appearance of corporate management organization in the 1970's was determined precisely by the presence of more or less autonomous divisions within the corporate structure. The essence of this divisionalization, however, was not simply a matter of structural modification, but also involved several other important factors. In the first place, the corporation had a number of organizationally separate levels: the main headquarters; independent divisions representing the main economic link, often with jurisdiction over many plants; the intermediate level--the administration of groups of divisions. Some companies even had a structure with four levels: the subdivision (or department), the division, the superdivision (operational group) and the headquarters of the corporation. The structures became hierarchical, and fairly developed "administrative filters" appeared between the main headquarters and the production link on the lowest level.

In the second place, divisions were granted considerable economic independence. They became "profit centers,"² meaning that divisional activity was evaluated by the headquarters according to profit indicators (with a view to intracorporate ties) or that the division was fully authorized to conduct operations in a free market within the bounds of the general financial and technical corporate policy and control based on results, the main indicator of which was real commercial profit.³ A similar status was acquired by "sales centers"--sales divisions which were evaluated according to sales volume minus overhead costs--and "investment centers, with their profitability evaluated in relation to the capital invested in the division and with intracorporate capital charges. The economic relations

that were characteristic of market interaction were artificially introduced into the intracorporate machinery of control, supplementing administrative methods of management.

In the third place, the formation of divisions was accompanied by the considerable decentralization of decision making and the transmission of decisions to the division level. Production resources were transferred to the division level, as well as the service staff (production planning, marketing, purchasing and shipping departments), while the administrative staff (financial, legal, planning, personnel, public relations and other departments) generally remained in corporate headquarters. In connection with this, the practice of appointing group vice presidents, responsible for several divisions, became more common. The intensive formation of the group level of management dates back to the early 1970's, when the proportion of companies which had instituted this practice increased within a few years from 39 percent of the 500 largest corporations to 70 percent.⁴

Why did the large corporations make the transition to various forms of divisional organization? Research indicates that the deciding factor was the increasing degree of production diversification, or a larger production, technical and sectorial variety of products within a single firm. In addition, there were also such factors as the desire to concentrate separate production units to their optimal dimensions, the increasing complexity of market relations, the territorial separation of production units (particularly in connection with operations abroad), etc. A particularly significant factor in this process was technological progress and the extent of the technological interdependence of various production units within a single diversified firm.

It is not a simple matter to determine the appropriate moment when growing dimensions, diversification and the complexity of production should eliminate the need for the customary functional administrative structure that took years to evolve. Excessive haste could lead to serious losses. This was demonstrated, for example, by the experience of the Ford Company, which blindly copied the divisional administrative structure of General Motors in the 1950's. In the 1970's, however, the unsuccessful firms were those that had not been quick enough in abandoning their inflexible functional structures that unavoidably led to the excessive centralization of decision-making (they included United Steel, Boeing and Chrysler).

But the experience with the divisional structure of administration also proved something else: Namely, that even in the presence of corporate division, the machinery of interrelations between these divisions and the main headquarters can differ widely. Under the conditions of the U.S. economy of the 1960's, the decentralization of management on the division level was quite significant because the errors that were sometimes committed as a result of uncoordinated division actions were compensated for by the advantages of quick adaptation to highly changeable economic conditions. The crisis of the 1970's, however, affected various spheres of American economic and social life and forced the industrial corporations to make radical changes, retaining the divisional structure of organization as the main form but developing, within its framework, considerably new, more centralized and concentrated forms and mechanisms of administration.

Changes in the Intraorganizational Machinery of Administration

In the 1970's, therefore, an important procedural approach became apparent. It differed significantly from "classic" views on the organization of administration and meant that the reconstruction of the organizational structure did not in itself bring about serious changes in administration unless it was accompanied by simultaneous and thoroughly considered changes in the system for the distribution of resources, forms of intraorganizational planning and control, style of management and the stereotypical behavior of managers and executives, which would correspond with the new conditions of production and the environment and, consequently, the new structure of administration. Administrative reconstruction had to be comprehensive if corporations were to adapt quickly to these conditions.

In connection with this, many experts advised "ignoring the false dilemma: To centralize or to decentralize"⁵ and discarding the illusion that reasonable solutions lay only in the creation of new subdivisions, the regrouping of old ones or the redistribution of authority and responsibility among them.

To ensure the survival of firms in the increasingly tough conditions of the competitive struggle, it was necessary to find a way of combining two, seemingly contradictory principles: stronger centralized control over corporate activity and the simultaneous flexibility and adaptability of production organizations to an uncertain and unstable environment. It became particularly important to avoid any reduction of the motivation of workers, employees and managers to attain capitalist goals in a changing world.

In the 1970's organizational changes were made in many areas of large corporations. Many of these corporations recentralized their activity--that is, they returned to decentralized operations with centralized intraorganizational planning and control, and frequently even the direct supervision of these functions. Some of them resolved to return to the functional principle. For example, the Kendall Company liquidated its production divisions after the crisis of 1969-1970, retaining only its sales divisions. Armco Steel made a direct transition to centralized production and sales under the control of the corporation's senior vice presidents, but by the end of the decade it had changed its structure again to conform to the special-program principle. In most cases, however, the principle of divisional autonomy for profit centers (product, regional, market and innovative) was unaffected, although the powers of these centers were considerably reduced. Many companies transferred the function of demand coordination to the main headquarters; they set stricter financial "power limits," within the framework of which divisional managers had been granted freedom of action; they established a strong strategic planning staff; they instituted stronger administrative and planning mechanisms for the supervision of intraorganizational activity, including systems for the more regular accounting and "early warning" of impending financial difficulties. For example, General Motors organized a service for the centralized purchasing of raw materials and semifinished products after learning that its divisions were competing with one another for their acquisition and that this was harming the firm.

Integrated computerized information networks were set up in the largest corporations for intraorganizational control, in which the powerful computer centers of headquarters had multichannelled connections with the peripheral computer centers of branches. Systems of this kind were instituted, for example, by the IBM

Corporation, Sperry RAND, Gulf Oil, American Express and many others. Several large companies (IBM, Mobil Oil, Ford, TransAlaska and others) installed terminals of their systems in the offices of their suppliers, clients (including clients in trade) and contractors. According to forecasts, the early 1980's should be a period of the intense development of these systems. This will establish a solid technical foundation for stronger intraorganizational planning, will stimulate various forms of "decentralization with centralized control," will increase opportunities for intracorporate coordination, etc.

The desire of corporations to establish the necessary conditions for solving problems in the future development and timely reorientation of their activity in new spheres of business often led to the formation of "divisional-innovative" structures. Long-range planning and large research centers were opened as part of the corporate structure, and all production and economic activity connected with the development of promising production areas was made the responsibility of a new independent division. This was the route taken by, in particular, the Union Carbide chemical company, which established a scientific-production "corporate development group," the Exxon oil and gas giant, which allocated over 1 billion dollars to its autonomous division for research and production experiments with new sources of energy, and the Uniroyal monopoly, which gave its corporate center for research and development, with its solid production base, the status of an independent affiliate, endowed even with its own board of directors. In this way, these corporations created an artificial "organizational barrier" between parent operations and long-range development activity so that the daily race for profits would not interfere with timely preparations for projected major technical and production advances, so that they would be able to change production specialization in time and would not be defeated in the competitive struggle in the future.

The "pendulum effect" was characteristic of the reorganizational practices of some corporations--the periodic large-scale reorganization of subdivisions within the administrative system, consisting of a transfer from centralized to decentralized structures and back again. The economic aspect of this was connected with changes in market conditions, and the organizational aspect was connected with an attempt to prevent the undesirable solidification of corporate strategies and external and internal relations and personnel stagnation.⁶

The extensive use of corporate influence on the environment became an important tendency. In particular, large monopolies practiced the merger and absorption of firms (often voluntary) for stronger control over sales markets, created joint enterprises and set up directorates with the mutual representation of competitors. In the 1970's the corporate board of directors began to perform more external functions and their membership included representatives of the financial oligarchy, rival corporations, scientific community, labor unions and other influential bodies and groups. The circulation of administrative personnel among corporations and organizations with common interests (for example, important positions in defense contracting preparations were filled with former employees of the Defense Department, and vice-versa) became stronger.

The monopolies use control over government employees in their own interest, directly influencing decision making in the sphere of economic regulation, taxation and market protection, not to mention government contracts. Pursuing their own goals, they have not been averse to bribery, blackmail and the political pressuring

of civil servants, frequently defending the most reactionary regimes, movements and groups in the United States and abroad. From the organizational standpoint, it is significant that a special staff was created for the expansion of these contacts.

There have been significant changes in the principles governing the structure of the highest link of corporate management. By the 1940's and 1950's many large companies were already aware of its tremendous overload of responsibility, abandoned the practice of strict individual management on this level and instituted two top-level positions: the chairman of the board of directors (the corporate head in charge of strategic and external affairs) and the president (the chief executive manager in charge of intracorporate affairs). Committees for coordination and consultation were widely used in corporate practice. Whereas the board of directors was generally a body made up of the corporation's owners, who directed its activity and did not have the authority to intervene directly in intraorganizational administration, the committees were working bodies made up of managers, and sometimes the leading specialists of the firm, and in charge of the interfunctional coordination of decision making and implementation processes.

Although the committees relieved top-level corporate administrators of daily concerns and coordinative functions, they nonetheless remained consultative bodies with no authority to make final decisions or to implement them. For this reason, in the 1970's many firms created a chief executive office, which was more restricted in composition but had more authority than the top collective body (including the system of committees). As a rule, the chief executive office included from two (chairman of the board of directors and president) to six members of the corporate administration (a few vice chairmen and senior executive vice presidents) occupying the highest positions in the administrative hierarchy.

The main difference between the chief executive office and the corporate committee was that the former was not a consultative body, but a decision-making body with full authority, the members of which shared the functions of the head of the corporation (usually the chairman of the board of directors), representing, as it were, its collective president. For the more effective resolution of problems, members of this office used a form of organization (for example, in the Dupont, IBM, Kodak, Olin and other corporations) in which each division head or group vice president on a lower level is officially subordinate only to the chief executive office. This means that each member of the chief executive office is actually endowed with the authority of the president and can give orders and issue instructions on all matters to any division or department manager. One day he might manage current operations at the instructions of the corporate head, and the next he might concentrate on some other area of work that is exceptionally important at that specific time (for example, a particularly large government contract, new construction, the creation of a new overseas branch, etc.) and make independent decisions on behalf of the chief executive office. This is a quite original form of group management, which is the opposite of the most traditional principles of the precise division of authority and responsibility. It is used only under the specific conditions of an excessive workload in the highest link of corporate management due to the increasing complexity of managing internal and external factors and requires more consultation and informal coordination of activity by members of the chief executive office.

Major organizational changes in American industrial corporations in the 1970's were connected with the export of capital and the expanded scales of international operations. For example, studies of the experience of 78 North American transnational companies over a period of 10 years indicated that 51 of them had radically reorganized the management of international business between 1965 and 1975, and 10 had introduced significant changes into their organizational structures.⁷

At present, the main varieties of overseas operational organization include such forms as the global-functional structure; the independent conduct of overseas operations by affiliates; international divisions with full responsibility for production and economic activity in all parts of the world; the management of overseas operations by regional overseas divisions; the global-product structure; the organization of overseas operations according to the "umbrella" principle, envisaging the distribution of production units and centralization of service and administrative units covering a large territory.

American monopolies characteristically conduct extremely decisive organizational changes and experiments in their adaptation to fundamentally new business conditions. For example, in 1966 the Calligan International Company adhered to a functional form of organization and had overseas plants with no economic independence, in 1968 it opened an independent international division, and in 1973 it conducted another reorganization, creating a structure with three vice presidents fully responsible for operations in three different regions. The centralized functional staff was distributed among these three units. General Electric is using its own method in this sphere, preserving its global-product structure for existing production units and forming regional divisions for new ones. On the other hand, IT&T has large zonal administrations (in addition to sectorial ones), including product administrations which, in turn, include other regional divisions.

Experience has shown that mixed structures which do not fall into any of the known categories of administrative organization are numerous in the sphere of international operations (in 1975 they were characteristic of 27 percent of all large companies, although in 1965 the figure was only 7 percent). American researchers have noted that, under the conditions of today's complex organizational requirements, "what is logical is not always effective, and what is effective is not always logical."⁸ This is primarily due to the high degree of uncertainty in the overall economic situation and to a specific combination of factors predetermining the choice of a particular administrative structure.

The largest variety of administrative forms and mechanisms is found in the special-program (matrix) structures, which also underwent significant changes in the 1970's.

The Formation of "Strategic Administration" Systems

In the 1970's many American companies encountered the need to orient their activities more consistently toward their ultimate goal of survival in the competitive struggle and the constant acquisition of profits over the long range under extremely unstable sales market conditions affected by conflicting factors. The major destabilizing factors were inflation, heightened competition in the area of innovations, the increasing shortage of many types of raw materials, the increasing relative shortage of capital, various difficulties in manning production with highly skilled labor, etc.

It was precisely under these conditions that the special-program forms and methods of administration gained more significance. The traditional forms of management of special programs (mainly technical), based on the use of the so-called pure project management structure, envisaged the control of all financial, material and labor resources needed for the completion of the specific program by a single linear administration or individual. Within the framework of a single firm, however, this approach led to the considerable dissipation of resources among many programs and did not allow for the effective combination of special-program management with the maintenance and development of the production, scientific and technical potential of the firm as a single entity.

American practices of the 1960's led to the restoration of matrix management structures in industrial corporations. From the standpoint of organizational structure, they simultaneously subordinated executives on the lowest level to a few superiors (one responsible for functional activity, another in charge of the special program, and sometimes a third superior on charge of the region). In this kind of structure, adaptation to complex external conditions is accomplished not so much through the formation of new departments or through the use of previously regulated organizational procedures as with the aid of considerable freedom of action and authority on the middle, and not the highest, level of management. This establishes a basis for flexibility in management with the aid of horizontal, and not hierarchical, interaction.

Another important consideration is the fact that the special-program structure cannot be compared with the functional and divisional structures, which are always preferable to "organizational matrices" under certain conditions. The latter represent a unique and complex mechanism for the special-program coordination of activity and are not suitable in most cases. Analysis has shown that the use of the most developed, "mature" matrix structures, in which the principle of dual subordination is used in many organizational links, is justified in the presence of three conditions, namely the equal importance of two or several aspects of organizational activity (marketing, functional, scheduling, etc.), arising from the influence of specific requirements external to the firm; an intense informational workload in the administrative system, stemming from the complexity and uncertainty of external conditions; a shortage of highly skilled specialists, the demand for which arises at different times and in different areas of work.

The transition to matrix management, according to the data of special studies, usually affects only some subdivisions, jobs and types of activity within a company. For example, in organizations with a total staff of 50,000, 500-1,500 will be working according to the matrix principle (from 1 to 3 percent), and in organizations numbering 500, the figure will not exceed 50 (around 10 percent).

The corporate practices of the 1960's and 1970's led to the widespread use of the most diverse modifications of the matrix structure, among which the most significant were the project management system (with the temporary assignment of horizontal relations to the functional structure during the project period), systems of management according to products, brands and so forth (in which the goal of horizontal management was the maximization of the product's competitive potential in the market) and intrafunctional systems (in which special programs were drawn up for the resolution of specific problems).

According to overall data, up to 70 percent of all large and medium-sized companies were using various forms of special-program management in the mid-1970's, and 40 percent were using matrix and "pure" project structures while the remaining 30 percent were using temporary special task forces.

In the second half of the 1970's, however, there was a greater need for the inter-functional integration of the activities of large companies for the conquest of new promising product markets and the constant maintenance of commercial success in these markets. The time factor, research and design and the quicker incorporation of research findings became more important. This resulted in the development of the concept of "strategic management," which was implemented in corporations on the basis of a new modification of the matrix structure, which can be called the special-program "strategic market" structure.

Many companies made the transition from intraorganizational "strategic planning," which had reached the peak of its popularity in the late 1960's and early 1970's, to "strategic management" systems. To a significant degree, this was connected with the defects discovered in strategic plans: their indicators under the conditions of the crisis of the 1970's; the constant divergence of annual plan indicators from company development plans for the next 3-5 years; conflicts between linear managers in charge of current operations and staff members responsible for strategic planning; the absence of an effective mechanism for the accomplishment of strategic plan assignments.

In the sphere of intraorganizational planning, the "strategic management" system covers the compilation of strategic plans and special programs for the resolution of major problems in the firm's development; in the area of the administrative structure, it assigns direct responsibility for the elaboration and implementation of these plans and programs to specific managers and subdivisions; in the area of supervision and stimulation, it introduces new appraisal indicators and procedures of supervision and progress reports on the fulfillment of strategic plans and programs.

The most consistent transition to this system is connected primarily with the experience in the formation of "strategic business units" by the General Electric Corporation. This system was perfected from 1972 to 1977 and is now being widely used in American industry.

General Electric was organized according to functional patterns in the 1950's and made the transition to a structure with autonomous product profit centers in the early 1960's. This doubled its sales volume within 10 years (1965-1974) but gradually led to the undesirable decentralization of management. The number of sectorial product groups rose to 9 (uniting 44 divisions) and the international group had divisions on all continents. In all, 200 "profit centers" with varying degrees of independence were functioning within the corporation.

Under these conditions, despite the presence of large central offices within the corporation and the creation of an overall corporate president's office, the company's financial results were not high enough and its income was reduced by almost half for several years.

In 1972 General Electric established 43 strategic business units operating on the special-program principle, and these constituted the basis for the grouping of all of the remaining 200 profit centers. Each strategic business unit was primarily responsible for the compilation of a special program (or strategic plan) for long-term commercial success in a specific sales market. For this reason, the formation of these units was accomplished according to the following principle: the existence of a large and independent production and sales program; the existence of strong competitors in a specific market; the ability to carry out strategic planning and organized work independently of other subdivisions; financial independence, the independent acquisition of basic resources and the presence of the organizational potential needed for success in the competitive struggle.

The main aspect of this organizational system was the unification of the compilation and implementation of strategic plans under a single administration. This meant that production business units--profit centers (each with its own general manager) are no longer subordinate to company vice presidents, but are under the jurisdiction of administrators of special market programs--the heads of strategic business units. Managers on different levels who already had power within the corporation acquire the status of special program supervisors.

In particular, four group vice presidents (in charge of aerospace production, aircraft engines, power equipment, and industrial and power engineering instruments) were appointed supervisors of General Electric strategic business units, on the next level there were 20 general division managers (in charge of chemical and metallurgical production, medical equipment, household appliances, etc.) and 19 subdivision managers (for example, in charge of the technical plastic production subdivision).

Top-level management no longer deals with 200 linear managers of "profit centers" with considerable autonomy in the management of production and economic operations, but with 43 special market program managers, who are not directly responsible for all facets of activity, but only for the firm's long-term success in a specific market. They are more closely supervised by the corporate management than the general administrators of the "profit centers." In 1973-1976 the planning and supervisory activity of the strategic business units were carried out with the aid of corporate policy counsels and subordinate executive (in charge of strategic planning) and administrative (in charge of day-to-day functions) bodies. In 1976, however, individual management was strengthened by means of the creation of six supergroups (sectors or economic spheres of business) headed by company vice presidents. The corporate staff was radically reorganized and redistributed among sectors.

Therefore, in its present form the structure of General Electric, according to experts, combines stability (because the company's production and economic base--the 200 "profit centers"--remains constant) with flexibility (because the strategic business units and their strategic market programs are changed). The strategic business units all into three categories in terms of their commercial success: The first emphasizes production growth, the second emphasizes stability and the third envisages cuts in operations. These categories determine the distribution of investments among strategic business units, proceeding from the principle of their concentration in the most profitable fields.

It is interesting that manager evaluations and bonuses in the strategic business units of the first (particularly promising) category are carried out in the following proportions: 48 percent of the bonus for strategic plan fulfillment, 40 percent for day-to-day results of economic activity, and 12 percent for other indicators. For managers of strategic business units of the second category (with stable production), the proportion is different and constitutes 28, 60 and 12 percent respectively.

The General Foods Corporation presents another interesting example of the organization of special-program "marketing centers." At the beginning of the 1970's this corporation encountered constant resistance by its four production superdivisions--"profit centers" formed in line with the homogeneity of technological production processes--to the development of new products and the observance of cost estimates. Reorganization resulted in the creation of three new subdepartments, having the status of both "marketing centers" and "profit centers." One of them manages the production and sale of dessert products, the second is in charge of breakfast beverages and the third is in charge of pet food. The position of vice president in charge of marketing was eliminated. This made it possible to draw up strategic and short-range plans for product groups--that is, groups made up of products appealing to a specific consumer group.

The main form of the "marketing centers'" horizontal interrelations with production divisions--"profit centers" and functional offices--consists in the conclusion of intracorporate "service contracts." All services are divided into four categories: production and commercial; operational, including production efficiency analysis, marketing, finance, personnel, wages and legal matters; and so-called development services--new product and technology development and market analysis.

Each "marketing center" has an overall plan and specific market sales programs, with the heads of strategic business units responsible for their compilation and implementation. They are directly accountable for operational results and have considerable authority (they can draw up production and sales plans, set product prices, control production costs, conclude intraorganizational contracts, etc.). Other corporate services have a client relationship with the heads of strategic business units, keeping their expenditures commensurate with their economic contribution to the fulfillment of sales programs.

The top level of the corporate management acts something like a holding company, taking care of the portfolio of contracts and determining the overall corporate investment and business policy. Therefore, the system is extremely decentralized.

Another modification of the strategic marketing structure, aimed at accelerated technical progress, is implemented by the Texas Instrument company. Its main production link is the product consumer center, made up of divisions in charge of the development, production and modification of specific products. It also has functional subdivisions within the corporate headquarters and divisions. But the most dynamic part of the system is the "goals-strategy-tactics" subsystem. This subsystem is supposed to plan and institute innovations in company operations. It has its own budget for this, and each consumer product center is accountable to higher-level management for two types of indicators: current production activity and the attainment of objectives directly connected with the "goals-strategy-tactics"

subsystem. In this way, the three dimensions of the company matrix structure, "production--functions--innovations," are distinguished by relatively close interaction.

The "strategic management" systems were the main new feature in the organization of large U.S. industrial corporations at the turn of the decade. The system is now being used by more than 20 percent of the companies in the "500 club" (in addition to the ones mentioned above, IBM, Westinghouse Electric, Coca-Cola, Monsanto, Armeo Steel, Union Carbide and others).⁹ The system has been given a high evaluation by top-level corporate management. For example, P. Carey, president of IBM, believes that this system, "designed for tomorrow's market,"¹⁰ made adaptation to the difficult economic conditions of the 1970's possible and will be the deciding factor in the organization of industrial companies in the 1980's. General Electric's chairman of the board believes that the tendency toward virtually unlimited decentralization, characteristic of many large companies in the 1960's, is dead. "Only this kind of system (based on strategic business units--L. Ye.) of rigidly centralized control allowed General Electric to permit itself the luxury of massive diversification and decentralization."¹¹

Therefore, the search for new ways of organizing the management of the superlarge systems that the major American monopolies have become, led to the development of new organizational designs at the end of the 1970's and the beginning of the 1980's to deal with new problems and economic difficulties.

FOOTNOTES

1. For example, in the functional organizational structure of the IBM corporation, according to A. Faiola, the administrative staff was divided into five main functional services, headed by vice presidents: production, finance, technology, sales and technical services for computer customers. Plants were under the jurisdiction of the vice president in charge of production. In 1956 IBM changed to a divisional structure and, since that time, has conducted six large-scale reorganizations, the last of which consisted in compiling a corporatewide special-program administrative structure.
2. THE MCKINSEY QUARTERLY, Autumn 1975, p 28.
3. P. Drucker, "Management Tasks, Responsibilities, Practices," N.Y., 1974, p 520.
4. BUSINESS WEEK, 25 September 1978, p 102.
5. INDUSTRY WEEK, 2 August 1976, p 48.
6. "The Management of Organization Design," vol I, N.Y., 1976, p 159.
7. M. Duerr, J. Roach, "Organization and Control of International Operations," N.Y., 1975, p 4.
8. Ibid., pp 5-6.

9. BUSINESS HORIZONS, February 1978, p 25.
10. INDUSTRY WEEK, 2 August 1976, p 46.
11. DUN'S REVIEW, December 1978, p 30.

8588

CSO: 1803/11

BOOK REVIEWS

American Ruling Elite

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 112-114

[Review by V. A. Linnik of book "The American Establishment" by Leonard and Mark Silk, N.Y., Basic Books, Inc., 1980, XI + 351 pages]

[Not translated by JPRS]

Capitalist Class Privileges

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 114-116

[Review by V. A. Voyna of book "Democracy for the Few" by Michael Parenti, N.Y., St. Martin's Press, 1980, 346 pages]

[Not translated by JPRS]

Failing Strength of U.S. Foreign Policy

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 116-118

[Review by A. B. Parkanskiy and T. N. Yudina of book "The Decline of U.S. Power (And What We Can Do About It)" Boston, Houghton Mifflin Co., 1980, 246 pages]

[Not translated by JPRS]

Ethnic Problems in Capitalist Countries

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 p 118

[Review by A. M. Yusupovskiy of book "Gosudarstvennaya politika i obostreniye natsional'nykh otnosheniy v stranakh kapitala" [Government Policy and the Exacerbation of Ethnic Relations in Capitalist Countries], edited by A. P. Shlepakov, Kiev, Naukova Dumka, 1979, 315 pages]

[Text] The work being reviewed, written by a group of authors from the Institute of the Social and Economic Problems of Foreign Countries, Ukrainian USSR Academy

of Sciences, is a study of a little-researched aspect of the ethnic question--the policy of the governments of developed capitalist countries toward ethnic and racial minorities.

Analyzing the changes in U.S. legislation on racial and ethnic problems, the authors conclusively prove that these widely publicized changes were unable to prevent discrimination or solve the burning interracial and interethnic problems in America today.

None of the government's efforts to solve ethnic problems, beginning with the attempts to establish "black capitalism" and to integrate Indians into the American system with the aid of the Bureau of Indian Affairs and ending with the deportation of undesirable members of ethnic minority groups, have helped to solve these problems because they do not, and indeed cannot, eliminate the fundamental socioeconomic causes of racial and ethnic inequality.

The authors also examine the Canadian Government's policy on nationality. Canada's unique ethnic structure is connected with immigration. Immigration policy has been the arena of struggle between various political groups in Canada, and it is this factor that determines the composition of the "ethnic mosaic" and the arrival of various ethnic groups in the country.

The mounting wave of French-Canadian separatism is discussed in detail in this book. The authors show how the major political parties in Canada are trying to shift the emphasis from economic problems to the sphere of culture in the belief that a "multicultural" policy will relieve some of the existing tension (p 99).

The work would have been of greater value if the authors had been able to illustrate the limits of government influence in ethnic matters and point out the reasons for the ineffectiveness of attempted government regulation of ethnic relations in the United States, Canada and other countries. The authors' position on the question of the erosion of ethnic differences between various ethnic minorities is unclear (p 121).

On the whole, however, the work will make an important contribution to the study of one of the most pressing problems in contemporary societal development, and it contains considerable factual material on little-researched aspects of the question of nationality in the developed capitalist countries.

8588
CSO: 1803/11

THE 'KITCHEN CABINET' OF PRESIDENT R. REAGAN

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 119-123

[Article by A. K. Andreyev]

[Text] In spring 1981 the American press reported that President Reagan's group of influential advisers, making up the so-called "kitchen cabinet," would be dissolved. The official reason was that there was no need to keep this kind of group intact after Reagan's election victory in 1980 and after the chief appointments to the new administration had been made. These appointments were the primary concern of the group between November 1980 and the end of March 1981. American journalists also mentioned another reason: There was the danger that the surreptitious activity of this group to solicit funds for Reagan's campaign from large corporations would be made public.¹

Reports of this kind seem doubtful for a number of reasons. In the first place, the composition of the "kitchen cabinet" is interpreted too broadly by newsmen. They list around 20 members of the group, putting Reagan's old friends into the same category with advisers with whom he worked only in the last few years for reasons of political necessity (some of them did not even become "Reaganites" until the last stage of the 1980 campaign). In the second place, the traditions of U.S. politics are such that virtually all presidents have maintained close relations with their closest friends who are outside the government but nevertheless play a significant role in politics. These persons have generally been few in number, and some presidents have had only two or three such friends. It is this small number of persons that generally constitutes the "kitchen cabinet," which was given this name after one 19th-century American president called a group of his closest friends together in the White House kitchen to ask them for advice on the most pressing problems of his administration.

Therefore, the news about the dissolution of Reagan's "kitchen cabinet" could be regarded as a kind of subterfuge to divert public attention away from some of the new President's closest relationships.

The influential unofficial group of Reagan's friends and advisers, his "kitchen cabinet," had already taken essentially its present form in the 1960's. The group includes Holmes Tuttle, a prominent California motor vehicle dealer; Alfred Bloomingdale, multimillionaire, owner of a department store chain and president of the Diners Club corporation; Justin Dart, president of Dart Industries; Henry

Salvatori, Los Angeles oilman; William Wilson, large landowner in California; Earle M. Jorgensen, president of a steel company, and several others. According to many American authors, Ronald Reagan's wife Nancy, who "has a strong character," plays an important role in this group.

The only official members of the Reagan Administration who are as close to the President as these people are Director William Casey of the CIA, Attorney General William Smith, who was previously Reagan's personal attorney, Senator Paul Laxalt from California's neighboring state of Nevada, and Edwin Meese, the President's cabinet-status adviser.

The most successful businessman among Reagan's old friends is probably Justin Dart, who is 74 years old. He controls the Dart Industries conglomerate with a sales volume (in 1979) of 2.4 billion dollars and a profit volume of 172 million dollars. The firm is 219th on the list of the 500 largest U.S. companies and banks,² and therefore is not one of the 100 monopolies which make up the creme de la creme and dominate all spheres of production and finance and much of the public service sphere.

The foundation of Dart's business empire was laid by his first wife's father, Charles Walgreen, the Chicago owner of a drugstore chain (there were 372 stores in 1932), who left much of his estate to Dart. In the late 1930's and early 1940's, after a continuous "war" with the two other major stockholders in Walgreen's firm, his former wife and her brother, Dart joined a group of Boston companies which also owned a drugstore chain. Later Dart diversified his business and became the owner of several plants producing various plastic household items and some firms specializing in door-to-door sales. Dart also owns factories producing cosmetics (the Wanda firm), batteries (Duracell) and kitchenware (West Bend).

In 1980 the U.S. business community learned of Dart's plans to merge his conglomerate with the large Chicago-based Kraft company, specializing in the production and sale of foods. If this merger should take place, the new conglomerate, which will be called Dart and Kraft, will be among the first 100 U.S. companies, ranking approximately 30th in terms of sales volume.³ The Dart Industries conglomerate, which is widely known in many parts of the United States, is almost uninvolved in overseas operations.

Holmes Tuttle, the owner of five automobile dealerships, is considered to be a prominent figure among Reagan's unofficial advisers. He gained a name for himself in California politics at the beginning of the 1960's and actively supported presidential candidate Barry Goldwater in the 1964 election. According to Reagan's friends and rivals, it was Tuttle who was instrumental in convincing Reagan to run for governor of California in 1966, a race which marked the beginning of his emergence on the national political scene.

Judging by reports in the American press, Tuttle is a man who controls the local political network, most of which is never seen by the uninitiated. Incidentally, the persons with this kind of local or regional power include many owners of automobile dealerships and realtors. These people maintain constant and fairly close contact with the more wealthy people in their county, district and state, know their attitudes and tastes quite well and are fairly well informed as to

their financial and social status. It is on the strength of their business activity that auto dealers and realtors are often better trained for political activity behind the scenes. Although they are active in politics and understand the fine points of the local machinery of economic and political power, they generally have an extremely superficial and oversimplified knowledge of everything beyond the bounds of this machinery.

On the whole, Reagan's closest associates are extremely wealthy people and most of them have assets valued at tens of millions of dollars. "Like the man they counsel and befriend, many of Reagan's closest associates are conservative, rich and self-made successes (through good marriages, manipulation, etc.--A. A.) who believe that the American dream is within others' reach just as it was within theirs."⁴

Another interesting description of this group is provided by Reagan's old political opponent, E. Brown, also a former governor of California (the father of the present governor of this state, who lost the election to Reagan in 1966). Brown has written that for many years Reagan's closest associates "have not included a single black or Mexican-American, a single Jew, a single person of low income or even a single member of the middle class."⁵

Although it is true that the members of Reagan's "kitchen cabinet" are extremely wealthy people, it is significant that none of them are the heads of the largest monopolies making up the upper echelon of American business. The companies of Reagan's friends in Southern California have a long way to go to catch up to such giants as, for example, the Bechtel group, the vice president of which was present Secretary of Defense Caspar Weinberger, or United Technologies, where Secretary of State Alexander Haig was one of the administrators. Bechtel's sales volume in 1979 was close to 7 billion dollars, and the sales volume of United Technologies (formerly United Aircraft) exceeded 9 billion dollars. Besides this, both of these companies conduct huge-scale operations abroad and are transnational monopolies. Bechtel, in particular, built the 1,100-mile trans-Arab pipeline and the world's largest copper mining and refining complex in New Guinea and is building an industrial complex with a city for 300,000 inhabitants in Saudi Arabia.⁶

There is an even larger gap between the companies headed by Reagan's personal friends and such supergiants of American and international capital as, for example, Exxon, General Motors, Citibank or Bank of America. The personal capital of almost every one of Reagan's friends might exceed the personal wealth of, for instance, the president of General Motors, but their influence in national economics and in international capitalist economies is much weaker than that of the heads of large monopolies like General Motors.

It is also extremely significant that the business interests of Reagan's friends are concentrated almost exclusively within the country. Their companies are not among the transnational monopolies which operate in dozens of foreign countries as well as the United States and generally have their headquarters in New York, Chicago, Boston or San Francisco. There is no question that this is reflected in the commercial and political mentality of the members of Reagan's "kitchen cabinet."

The businessmen who are Reagan's friends simultaneously mistrust and envy the leaders of transnational monopolies, who are, in their opinion, too cosmopolitan

and do not care enough about the U.S. "national interest." According to information leaked to the American press, they were the ones who put the words in Reagan's mouth when he criticized the Trilateral Commission (during the 1980 campaign), which was founded by David Rockefeller, a New York banker and one of the most renowned transnational business leaders. This criticism was quite favorably received by the American non-monopolistic bourgeoisie, which has almost no access to international markets and sees no sense in the plans and ideas of this organization of American, Japanese and West European monopolists, preferring to find more subtle and flexible methods of adapting capitalism as a whole to present-day realities.

Although Reagan's friends are quite rich and are prominent in "high society" in Southern California, most of them do not enjoy the kind of social status on the national level that has been conferred upon many equally rich (and richer) businessmen from New York, Boston, Philadelphia and San Francisco who have inherited large fortunes. (The San Francisco elite seems much closer to the elite of the northeastern cities than to the elite of Southern California in business and politics.)

Reagan's friends are much less likely than, for example, friends of Edward Kennedy or Edmund Brown, to associate with major American writers, musicians, artists, historians and sociologists, because most of them are considered to be promoters of "excessively liberal" ideas that undermine the bases of "free enterprise." (Singer Frank Sinatra and some Hollywood actors and producers are exceptions to this rule.)

The protection of "free enterprise" in its classic form, presupposing the retention of direct company control by the chief owner on the one hand and the discouragement of government intervention in private business activity on the other, is one of the main topics of kitchen cabinet discussions. It was during these discussions that many of Reagan's campaign slogans of 1968, 1976 and 1980 were coined, in which he advocated a return to the "good old days" and more freedom of movement for the businessman. This is also where many of Reagan's statements on foreign policy were worked out, primarily with a view to persons just as ignorant about international affairs, who would be impressed by the idea of regaining America's "past greatness" and "leadership in international affairs" and the slogan of primary reliance on military strength. Many of Reagan's friends are wealthy people who started out as small businessmen, as a result of which they are well aware of the mentality, values and political outlook of the non-monopolistic bourgeoisie, and it was to this segment of the population, as well as to the general public, that Reagan addressed his campaign statements.

When we assess the views and attitudes of Reagan's closest unofficial advisers, we can also see that the California businessmen in this group are more aware than businessmen in many other parts of the country of the increasing penetration of the American market by capitalist competitors from Japan, Taiwan, South Korea, Hong Kong, Singapore and other countries. The extremely active involvement of Japanese and West European capital in the banking sphere and the intensive purchase of land and buildings by businessmen and sheiks from the oil-producing countries were already being witnessed in this state in the 1970's. The same kind of penetration of the U.S. banking system in the 1970's was being accomplished by West European and Japanese banks on the East Coast; there, however, this did not evoke the same kind of negative reaction from American businessmen because they themselves

has already been involved in broad-scale international expansion for several generations, during the course of which the interests of, for example, American and English banks were already closely interrelated in the 19th century.⁷

When Reagan was trying to gain the Republican nomination for the presidency, he did not immediately become the favorite of the upper echelon of the business community. His rivals in this race were Texas multimillionaire and former Treasury Secretary J. Connally and the equally prominent businessman and politician G. Bush, who was closely connected with monopolies in the northeast and Texas.

Before the Republican Party convention in 1980, many big businessmen (mainly representatives of the "Eastern establishment") publicly expressed doubts about Reagan's capabilities as a potential president, referring to his almost total lack of experience in international affairs. One of these businessmen was Irving Shapiro, the president of Dupont de Nemours, one of the largest transnational corporations, and until recently the chairman of the "Business Roundtable," the most elite association of American capitalists. In particular, he said that he was "afraid that Reagan will be unable to cope with international problems."⁸

Reagan's abilities were assessed differently by many large businessmen in Southern California, who had supported him for many years although they were not personal friends of his. They included, for example, Gerald Hines, chairman of the board of Standard Oil of California, and Charles Tex Thornton, chairman of the board of Litton Industries, who believed that Reagan would make an excellent president.⁹

After Reagan became the official presidential candidate of the Republican Party with the active assistance of monopolies in Southern California and other parts of the south, representatives of monopolistic groups in the northeast began to cooperate more closely with him. Just before the election they took the place of some of the Southern Californians among his closest associates. Then the northeastern monopolists influenced the choice of the new administration's cabinet members, particularly through the inclusion of persons expressing their interests, such as Secretary of State Haig and Secretary of the Treasury Regan.

At the same time, the "Eastern establishment" tried to include some of its members among Reagan's unofficial advisers. The most prominent are former Secretary of the Treasury George Shultz, Walter Wriston, the president and chairman of the board of Citicorp (which owns New York's Citibank), former Chairman of the Council of Economic Advisers Alan Greenspan and former Chairman of the Federal Reserve System Arthur Burns.

Walter Wriston deserves special discussion. Citibank is the second largest bank in the United States. It was founded in 1912 and, according to the list of FORBES magazine, ranks 26th among the largest American corporations and banks. It has its headquarters in New York. Its profits in 1979 totaled 541 million dollars and it accounts for 4 percent of all the money deposited in American banks. Citibank has 842 branches in 92 countries, making up the largest overseas banking network. The overseas branches account for 75 percent of its deposits. In 1979 the loans extended by Citibank to foreign governments totaled around 8 billion dollars; it also lent 9 billion to transnational monopolies. Citibank was the first foreign bank authorized to operate in Saudi Arabia and it now holds the huge deposits of the Saudi royal family.

Walter Wriston became the president of this bank in 1968 and the chairman of the board of directors in 1970. He came from a wealthy family, high up on the social ladder in the East. His father, Henry Wriston, was once the president of elite Brown University, one of the so-called "ivy league" colleges. Walter Wriston graduated from the School of Law and Diplomacy of the no less elite Tufts University in Boston and worked for the State Department during World War II. He began working for Citibank in 1946.¹⁰

The members of the boards of Citibank and Citicorp include directors of Exxon, Standard Oil of California, du Pont de Nemours, Xerox, Monsanto, Union Pacific, Kimberly Clark, United Technologies and J. C. Penney, former Secretary of Commerce in the Carter Administration Juanita Kreps, a former Brazilian minister of finance, British Lord Oldington, former U.S. Secretary of the Treasury William Simon and others.

The president of Citicorp and several of his vice presidents are also on the boards of General Electric, J. C. Penney, United Technologies, Beatrice Foods and Sears, Roebuck.¹¹

By virtue of his experience, ability and contacts, W. Wriston is considered to be one of the most "politicized" figures in the American financial oligarchy and a man capable of coordinating the economic interests of different monopolies and of determining the goals, objectives, means and methods of U.S. foreign and domestic policy with a view to these interests.

The group of Reagan's unofficial advisers from Southern California has not broken up and has apparently not lost its unity in the face of the "Eastern establishment." This group still meets frequently with Reagan; it is the nucleus of the best possible environment for him, made up of several dozen businessmen and politicians with whom he prefers to spend his free time. Apparently, Reagan gains much of his information, opinions and ideas about events in the nation and abroad through his unofficial advisers. The existence of this group can also be regarded as an important factor in the formation of various "power centers" within the administration, competing with one another for prestige and influence. During the course of this competition, conflicting ambitions, economic interests and political views have the most immediate effect on many aspects of U.S. government policy within the country and in the international arena.

FOOTNOTES

1. INTERNATIONAL HERALD TRIBUNE, 30 March 1981, p 3.
2. "Everybody's Business. An Irreverent Guide to Corporate America," edited by M. Moskovitz, M. Katz and R. Levering, San Francisco, 1980, p 812.
3. Ibid.
4. U.S. NEWS AND WORLD REPORT, 28 July 1980, p 19.

5. E. Brown and B. Brown, "Reagan: Political Chameleon," N.Y., 1976, p 166.
6. "Everybody's Business," pp 857-858.
7. For a discussion of the differences between regional groups of American monopolies, see the following works by V. S. Zorin: "Monopolii i politika SShA" [The Monopolies and Politics in the United States], Moscow, 1960; "Dollary i politika Vashingtona" [Dollars and Washington Policy], Moscow, 1964; "The Monopolies and Washington" (SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, Nos 7-8, 1978).
8. FORTUNE, 19 May 1980.
9. Ibid.
10. "Everybody's Business," pp 458-459.
11. Ibid., p 480.

8588

CSO: 1803/11

IN MEMORY OF CHARLES W. YOST

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 124-125

[Article by G. A. Arbatov: "Charles Yost--Diplomat and Scholar (1907-1981)"]

[Not translated by JPRS]

CHRONICLE OF SOVIET-AMERICAN RELATIONS (MARCH-MAY 1981)

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 7, Jul 81 pp 126-127

[Not translated by JPRS]

COPYRIGHT: Izdatel'stvo "Nauka", "SShA - ekonomika, politika, ideologiya", 1981

CSO: 1803/11

- END -

**END OF
FICHE**

DATE FILMED

NOVEMBER 4, 1981

D.D.